Fiscal Committees Clear Files; One Job Killer Bill Held

The Senate and Assembly Appropriations committees cleared their files this week, holding one job killer, and moving four to the Assembly Floor. In addition, three job creator bills have moved to the floor of their respective houses.

Both houses adjourned on August 27, a day before the August 28 deadline for the appropriations committees to meet and send bills to the floor.

The Assembly Appropriations Committee did not take up SB 3 (Leno; D-San Francisco/ Leyva; D-Chino), which would have unfairly increased employers’ costs while ignoring the economic factors or other costs of employers by increasing the minimum wage by $3.00 over the next two and a half years with automatic increases tied to inflation.

Since April, the California Chamber of Commerce had identified 19 bills as job killers that would have a negative impact on California’s job climate and economic recovery if they were to become law.

Bills to Assembly Floor

The following job killer bills passed the Assembly Appropriations Committee and will be voted on next by the entire Assembly:

• **SB 32 (Pavley; D-Agoura Hills).** **Slows Economic Growth:** Increases costs for California businesses, makes them less competitive and discourages economic growth by adopting further greenhouse gas emission reductions for 2030 and 2050 without regard to the impact on individuals, jobs and the economy.

• **SB 350 (de León; D-Los Angeles).** **Costly and Burdensome Regulations:** Potentially increases costs and burdens on all Californians by mandating an arbitrary and unrealistic reduction of petroleum use by 50%, increasing the current Renewable Portfolio Standard to 50% and increasing energy efficiency in buildings by 50% — all by 2030 without regard to the impact on individuals, jobs and the economy.

Legislature Sends Anti-Arbitration Job Killer Bill to Governor

A California Chamber of Commerce-opposed job killer bill that if enacted could significantly drive up litigation costs for all California employers passed both houses of the Legislature this week and is headed for the Governor’s desk.

The CalChamber is urging its members to contact the Governor and ask that he veto **AB 465 (R. Hernández; D-West Covina),** which will increase pressure on the already-overburdened judicial system.

AB 465 precludes mandatory employment arbitration agreements, which is likely pre-empted by the Federal Arbitration Act. The bill will serve only to increase litigation costs of individual claims, representative actions and class action lawsuits against California employers of all sizes until such legislation can work through the judicial process to be challenged once again.

Increased Litigation

The CalChamber opposes AB 465 and identified it as a job killer because:

• Existing contract law already requires all employment arbitration agreements to be freely and mutually executed.

• Existing law already mandates all employment arbitration agreements to be conscionable.

• Arbitration does not favor employers under the “repeat player” theory.

Inside

**CalChamber Keeps Pushing for Ex-Im Bank:** Page 7

**See Legislature Sends:** Page 6

See Fiscal Committees: Page 4
Labor Law Corner

Biometric Timekeeping: Weigh Benefits Against Privacy Considerations

Are there any California laws or regulations that would prohibit using a biometric timekeeping system that uses a thumb print?

There are definitely issues to consider, but as yet California and federal laws have not specifically addressed the different uses of biometric technology. The science of biometrics makes it possible to identify a person, not only by fingerprints, but by full hand identification, iris, voice, and face identification.

With the development of time clocks that take these measurements, employers have the ability to more closely monitor and secure their property and to obtain accurate time records. This method also reduces the submission of false time records.

Inevitably, questions arise about employee rights and privacy.

California is one of seven states that provides a constitutional right to privacy. In addition, Article 1, Section 1 of the California Constitution provides that: "All people are by nature free and independent and have inalienable rights. Among these are enjoying and defending life and liberty, acquiring, possessing, and protecting property, and pursuing and obtaining safety, happiness and privacy."

Labor Code Section 1051 requires that fingerprints may be kept only for the employer’s own use.

In addition, Article 1, Section 1 of the California Constitution provides a constitutional right to privacy. Inevitably, questions arise about employee rights and privacy.

California is one of seven states that provides a constitutional right to privacy. In addition, Article 1, Section 1 of the California Constitution provides that: "All people are by nature free and independent and have inalienable rights. Among these are enjoying and defending life and liberty, acquiring, possessing, and protecting property, and pursuing and obtaining safety, happiness and privacy."

Labor Code Section 1051 requires that fingerprints may be kept only for the employer’s own use.

Labor Law

HR Boot Camp. CalChamber. September 2, Laguna Beach. (800) 331-8877.

Labor Law

HR Boot Camp. CalChamber. September 2, Laguna Beach. (800) 331-8877.

International Trade

Global Marketing Course in China. University of California, Los Angeles. September 4–6, Shanghai, China. (310) 825-9971.


Weigh the benefits of a biometric system against the necessity to develop privacy policies. Further, employees may be reluctant to be measured and identified. Religious discrimination was an issue in at least one case where an employee objected to hand identification.

Before implementing a new system, develop a clear policy, communicate with employees, explain the system, and give them an avenue to submit questions and to opt out on religious or other grounds.

Consult with legal counsel to ensure compliance and to remain up to date on any changes in the laws.

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.

More at www.calchamber.com/events.

Business Resources


Government Relations


CalChamber-Sponsored Seminars/Trade Shows

More at www.calchamber.com/events.

Business Resources


Government Relations


Importing into the U.S. Workshop. California Center for International Trade Development. September 15, Clovis. (559) 324-6401.


Export Lenders Roundtable. Small Business Administration. September 18, Southern California (location to be determined). (415) 744-7730.


CalChamber Calendar

Water Committee:
September 3, Laguna Beach

Fundraising Committee:
September 3, Laguna Beach

Board of Directors:
September 3–4, Laguna Beach

International Breakfast:
September 4, Laguna Beach

Public Affairs Conference:
November 3–4, Marina del Rey

See CalChamber Sponsored: Page 4

See CalChamber Sponsored: Page 4
CalChamber-Backed Gender Equity Pay Bill Passes Assembly with Bipartisan Support

A California Chamber of Commerce-supported bill that seeks to eliminate pay disparity based on gender passed the Assembly this week with bipartisan support. SB 358 is the subject of the latest CalChamber Capitol Report video. The bill is authored by Senator Hannah-Beth Jackson (D-Santa Barbara), who chairs the California Legislative Women’s Caucus.

The bill ensures that women are paid equally for work that is substantially similar to the work of their male colleagues, and are not retaliated against if they discuss or ask how much their male colleagues are paid.

News Conference

“Our members understand the importance of ensuring that employees should be paid equally for equal work and we believe that SB 358 emphasizes that point and clarifies it,” said CalChamber Policy Advocate Jennifer Barrera during an August 24 news conference with the bill’s author.

“We also believe that SB 358 provides a great balance between making sure there is no gender inequity in pay, but also leaving flexibility for an employer to reward employees for education, skill, training experience with regard to compensation as well,” Barrera said.

According to a CalChamber analysis, SB 358 seeks to strengthen California Labor Code Section 1197.5, which precludes an employer from discriminating against an employee in pay on the basis of gender.

Currently, Section 1197.5 mandates that an employer shall provide equal pay for equal work, unless a bona fide factor other than gender justifies the differential. In an effort to eliminate the risk of a stringent interpretation of this standard, SB 358 proposes to amend this section to specify that an employee shall not be paid less than another employee who is performing “substantially similar” job duties, unless a bona fide factor exists.

CalChamber believes this will achieve the intent of the law and eliminate any employer from seeking to justify a wage differential through meaningless differences in job duties under the guise that such positions are not “equal.”

More Clarity

SB 358 also seeks to provide further clarity to the term “bona fide factor” under which an employer may provide differential pay for a legitimate business purpose, such as to compensate an employee who has more extensive training, education or experience. The CalChamber believes this clarification will help employers navigate their pay structure and avoid unnecessary litigation regarding what business purposes qualify as a bona fide factor.

The CalChamber believes that employees who are similarly situated and who generally perform the same duties or the same position should be compensated in the same manner, regardless of any protected classification, including gender.

“We are hopeful that SB 358 will limit litigation as it provides an objective criteria for employers at the outset to determine the pay base for employees and make sure those are not determined based on gender,” said Barrera.

Next Step

Following the bill’s passage, it will go to the Senate for a concurrence vote and then on to the desk of Governor Edmund G. Brown Jr.

Staff Contact: Jennifer Barrera

Video Link: https://youtu.be/jYJZOElhYUx
Fiscal Committees Clear Files; One Job Killer Bill Held

From Page 1
regard to the impact on individuals, jobs and the economy.
• SB 406 (Jackson; D-Santa Barbara) Significant Expansion of California Family Rights Act: Increases costs, risk of litigation and less conformity with federal law by dramatically reducing the employee threshold from 50 to at least 25 employees and expanding the family members for whom leave may be taken, which will provide a California-only, separate 12-week protected leave of absence for both small and large employers to administer.
• SB 654 (de León; D-Los Angeles) Creates Unworkable Hazardous Waste Permitting Process: Discourages investment in upgrading and improving hazardous waste facilities by shutting down hazardous waste facilities if the Department of Toxic Substances Control fails to take final action on the permit renewal application within a specified timeframe, even if the permit applicant acted diligently and in good faith throughout the permit application process.
For more information on the remaining job killer bills, visit www.CAJobKillers.com.

Job Creator Bills

Three CalChamber-supported job creators have moved on to their respective house floors:

Creates Construction Jobs
AB 35 (Chiu; D-San Francisco) Creates Affordable Housing Opportunities. Promotes affordable housing by expanding the existing low-income housing tax credit program, making the state better able to leverage an estimated $200 million more in Federal Tax Credits.
Senate Floor
Tourism
SB 249 (Hueso; D-San Diego) Enhanced Driver’s License. Encourages international trade and tourism by authorizing the Department of Motor Vehicles to issue enhanced driver licenses to U.S. citizens to expedite legal traffic at the border. Assembly Floor.
Improved Legal Climate
SB 251 (Roth; D-Riverside) Incentivizing Disability Access and Education. Seeks to limit frivolous litigation and claims regarding construction-related accessibility claims by providing businesses that have proactively sought to become ADA compliant with an opportunity to resolve any identified violations as well as provide a tax credit for such improvements. Assembly Floor.
Senate Floor
One job creator bill that aims to limit frivolous, costly litigation, AB 1506 (R. Hernández; D-West Covina), is awaiting a vote on the Senate Floor.
The bill provides employers with a limited opportunity to cure technical violations on an itemized wage statement that does not create any injury to an employee, by allowing the employer a limited time period to fix the violation before any civil litigation is pursued, so that an employer can devote its financial resources to expanding its workforce.

Action Needed
The CalChamber is urging businesses to contact their Senate and Assembly representatives and ask them to support AB 35, AB 1506, SB 249 and SB 251.
For more information on the 2015 job creator bills, visit www.CalChamber.com/JobCreators.

CalChamber-Sponsored Seminars/Trade Shows

From Page 2
Canada and Mexico, and MSE Management. September 25–27, New York City. (646) 864-0670.
Hong Kong/China Trade and Leadership Mission. CalAsian Pacific Chamber. November 7–19, Hong Kong, Guangzhou, Shanghai, and Beijing, China. (916) 446-7883.
When is a tax not really a tax? When the government gives the taxpayer more money in return than the taxes originally paid.

That scenario has been part of the funding scheme for medical care programs for low-income recipients that the federal government has approved for California and other states for the last decade.

Last summer, not surprisingly, the federal government called a halt to the practice by which Medi-Cal health plans were taxed and received Medi-Cal reimbursements in excess of the taxes paid in.

New Policy

The federal government now says that in order for any state to continue receiving matching federal funds for what the state spends, the tax on Medi-Cal health plans has to be broadened to health plans that have few if any Medi-Cal clients.

The new levy becomes truly a tax because the money collected will be used by the state to draw federal matching monies that will be spent on programs that do not in turn directly benefit the taxpayers.

Ultimately, the health plans will pass on that cost to the health premium purchasers—businesses and their employees—in order to fund some of the Medi-Cal obligations incurred by the state.

The purchasers—employers and employees—will not get a benefit in return, and will see higher health care costs as a result.

Medi-Cal Funding Gap

Meanwhile, Medi-Cal spending is slated to grow significantly between now and 2020. The federal Affordable Care Act required states to adopt looser eligibility rules for their Medicaid programs (Medi-Cal in California), generally referred to as the “mandatory expansion,” and also allowed states to expand eligibility voluntarily to individuals living below 138% of the federal poverty level.

The mandatory expansion increased Medi-Cal enrollment by 1.1 million and will cost California approximately $1.1 billion in 2015–16. The voluntary expansion has increased enrollment in the program by an additional 2 million, but so far has cost the state nothing because the federal government agreed to pay 100% of the cost for all newly eligible enrollees through 2016.

Starting in 2017, however, the federal share of costs associated with these individuals will drop to 95%, and in 2020 it will drop to 90%, where it is expected to stay.

The Governor’s May budget revision this year projected that by 2018–19, California’s share of the cost associated with the voluntary expansion will be $1 billion. Presumably that share will grow to more than $2 billion once the federal contribution drops down to 90% in 2020.

This means that, even without taking inflation into account, and without additional increases to Medi-Cal enrollment numbers or to reimbursement rates for Medi-Cal providers and hospitals, the state will need to come up with an additional $2 billion annually, or make equivalent cuts to state programs.

All of this is on top of the $1.1 billion the state would need to raise or cut to address the loss of the current tax.

Inappropriate Tax

As policymakers weigh the options for fixing the gap in the Medi-Cal budget, they should revisit the wisdom of targeting a new tax on managed care organizations that do not serve Medi-Cal clients.

This new tax is unfair to and burdensome on responsible employers and their employees who purchase health care. It sets a dangerous precedent that could lead to a disconnect of general fund support from Medi-Cal and to long-term pressure to increase the tax to fund future funding gaps.

CalChamber Member Feedback

“When CalChamber engages in a state or federal issue, they can take an industry-specific concern and immediately turn it into a business climate issue.”

Laurel J. Krzeminski
Senior Vice President and Chief Financial Officer
Granite Construction
Watsonville
CalChamber Policy Advocate to Speak at Proposition 65 Conference

Anthony Samson, California Chamber of Commerce policy advocate on Proposition 65 and other environmental issues, will be a panelist at the Prop. 65 Clearinghouse’s Annual Conference on September 28 in San Francisco. Samson will speak at the 11 a.m. morning plenary session on “Warning Regs: Is There Any Consensus?”
The CalChamber currently leads a coalition of more than 170 organizations that has been commenting at every stage as the state Office of Environmental Health Hazard Assessment (OEHHA) develops significant regulatory changes governing how businesses provide warnings under Proposition 65, the most far-reaching consumer “right to know” law in the nation. CalChamber’s extensive comment letters on the proposed warning regulations can be found on the product regulation issues page at calchamber.com.
The CalChamber is a supporting sponsor of the day-long Prop. 65 conference. Other conference sessions will cover such topics as: setting safe harbor numbers; the science of naturally occurring; and the push to take cases to trial.

Key Votes

AB 465 passed the Senate, 22-15, on August 24.

Ayes: Alejo (D-Salinas), Atkins (D-San Diego), Bloom (D-Santa Monica), Bonilla (D-Concord), Bonta (D-Oakland), Burke (D-Inglewood), Calderon (D-Whittier), Campos (D-San Jose), Chau (D-Monterey Park), Chiu (D-San Francisco), Chu (D-San Jose), Cooper (D-Elk Grove), Babarneh (D-Encino), Daly (D-Anaheim), Dodd (D-Napa), Eggman (D-Stockton), C. Garcia (D-Bell Gardens), E. Garcia (D-Coachella), Gatto (D-Glendale), Gipson (D-Carson), Gomez (D-Los Angeles), Gonzalez (D-San Diego), Gordon (D-Menlo Park), R. Hernandez (D-West Covina), Holden (D-Pasadena), Jones-Sawyer (D-South Los Angeles), Levine (D-San Rafael), Lopez (D-San Fernando), Low (D-Campbell), McCarty (D-Sacramento), Medina (D-Riverside), Mullin (D-South San Francisco), Nazarian (D-Sherman Oaks), O’Donnell (D-Long Beach), Perea (D-Fresno), Quirk (D-Hayward), Rendon (D-Lakewood), Ridley-Thomson (D-Los Angeles), Santiago (D-Long Beach), Stone (D-Scotts Valley), Thurmond (D-Richmond), Ting (D-San Francisco), Weber (D-San Diego), Williams (D-Carpinteria).

Noes: Achadjian (R-San Luis Obispo), Allen (R-Huntington Beach), Baker (R-San Ramon), Bigelow (R-O’Neals), Brough (R-Dana Point), Chang (R-Diamond Bar), Chávez (R-Oceanside), Dahle (R-Bieber), B. Gaines (R-El Dorado Hills), Gallagher (R-Yuba City), Grove (R-Bakersfield), Hadley (R-Torrance), Harper (R-Huntington Beach), Irwin (D-Thousand Oaks), Jones (R-Santee), Kim (R-Fullerton), Lackey (R-Palmdale), Linder (R-Corona), Maienschein (R-San Diego), Mathis (R-Visalia), Mayes (R-Yuca Valley), Melendez (R-Lake Elsinore), Obernolte (R-Big Bear Valley), Olsen (R-Modesto), Patterson (R-Fresno), Steinorth (R-Rancho Cucamonga), Wagner (R-Irvine), Waldron (R-Encinitas), Wilk (R-Santa Clarita).

No Vote Recorded: Galgiani (D-Stockton), Roth (D-Riverside), Wolk (D-Davis).

The Assembly concurred in Senate amendments to AB 465 on August 27, 44-29, sending the bill to the Governor:

Ayes: Alejo (D-Salinas), Atkins (D-San Diego), Bloom (D-Santa Monica), Bonilla (D-Concord), Bonta (D-Oakland), Burke (D-Inglewood), Calderon (D-Whittier), Campos (D-San Jose), Chau (D-Monterey Park), Chiu (D-San Francisco), Chu (D-San Jose), Cooper (D-Elk Grove), Babarneh (D-Encino), Daly (D-Anaheim), Dodd (D-Napa), Eggman (D-Stockton), C. Garcia (D-Bell Gardens), E. Garcia (D-Coachella), Gatto (D-Glendale), Gipson (D-Carson), Gomez (D-Los Angeles), Gonzalez (D-San Diego), Gordon (D-Menlo Park), R. Hernandez (D-West Covina), Holden (D-Pasadena), Jones-Sawyer (D-South Los Angeles), Levine (D-San Rafael), Lopez (D-San Fernando), Low (D-Campbell), McCarty (D-Sacramento), Medina (D-Riverside), Mullin (D-South San Francisco), Nazarian (D-Sherman Oaks), O’Donnell (D-Long Beach), Perea (D-Fresno),Quirk (D-Hayward), Rendon (D-Lakewood), Ridley-Thomson (D-Los Angeles), Santiago (D-Long Beach), Stone (D-Scotts Valley), Thurmond (D-Richmond), Ting (D-San Francisco), Weber (D-San Diego), Williams (D-Carpinteria).

Noes: Achadjian (R-San Luis Obispo), Allen (R-Huntington Beach), Baker (R-San Ramon), Bigelow (R-O’Neals), Brough (R-Dana Point), Chang (R-Diamond Bar), Chávez (R-Oceanside), Dahle (R-Bieber), B. Gaines (R-El Dorado Hills), Gallagher (R-Yuba City), Grove (R-Bakersfield), Hadley (R-Torrance), Harper (R-Huntington Beach), Irwin (D-Thousand Oaks), Jones (R-Santee), Kim (R-Fullerton), Lackey (R-Palmdale), Linder (R-Corona), Maienschein (R-San Diego), Mathis (R-Visalia), Mayes (R-Yuca Valley), Melendez (R-Lake Elsinore), Obernolte (R-Big Bear Valley), Olsen (R-Modesto), Patterson (R-Fresno), Steinorth (R-Rancho Cucamonga), Wagner (R-Irvine), Waldron (R-Encinitas), Wilk (R-Santa Clarita).

No Vote Recorded: Galgiani (D-Stockton), Roth (D-Riverside), Wolk (D-Davis).

Legislature Sends Anti-Arbitration Job Killer Bill to Governor

From Page 1

• Studies prove employment arbitration is more efficient and provides higher success rates for employees.

• AB 465 is broader than AB 2617 (Weber; D-San Diego), which was signed by the Governor last year, and includes all employment claims.

• AB 465 will force low-wage employees to overburdened courts.

• AB 465 is pre-empted by federal and state laws.

• AB 465 will create a worse litigation environment and lack of job creation.

Key Votes

AB 465 passed the Senate, 22-15, on August 24.

Ayes: Allen (D-Santa Monica), Beall (D-San Jose), Block (D-San Diego), de León; D-Los Angeles), Hall (D-Los Angeles), Hancock (D-Berkeley), E. Hernandez (D-West Covina), Hertzberg (D-Van Nuys), Hill (D-San Mateo), Hueso (D-San Diego), Jackson (D-Santa Barbara), Lara (D-Bell Gardens), Leno (D-San Francisco), Leyva (D-Chino), Liu (D-La Cañada Flintridge), McGuire (D-Healdsburg), Mendoza (D-Artesia), Mitchell (D-Los Angeles), Monning (D-Carmel), Pan (D-Sacramento), Pavley (D-Agoura Hills), Wieckowski (D-Fremont).

Noes: Anderson (R-Alpine), Bates (R-Laguna Niguel), Berryhill (R-Twin Harte), Cannella (R-Ceres), Fuller (R-Bakersfield), T. Gaines (R-El Dorado Hills), Glazer (D-Contra Costa), Huff (R-Diamond Bar), Moorlach (R-Costa Mesa), Morrell (R-Rancho Cucamonga), Nguyen (R-Garden Grove), Nielsen (R-Rancho Cucamonga), J. Stone (R-Temecula), Vidak (R-Hanford).

No Vote Recorded: Galgiani (D-Stockton), Roth (D-Riverside), Wolk (D-Davis).

The Assembly concurred in Senate amendments to AB 465 on August 27, 44-29, sending the bill to the Governor:

Ayes: Alejo (D-Salinas), Atkins (D-San Diego), Bloom (D-Santa Monica), Bonilla (D-Concord), Bonta (D-Oakland), Burke (D-Inglewood), Calderon (D-Whittier), Campos (D-San Jose), Chau (D-Monterey Park), Chiu (D-San Francisco), Chu (D-San Jose), Cooper (D-Elk Grove), Babarneh (D-Encino), Daly (D-Anaheim), Dodd (D-Napa), Eggman (D-Stockton), C. Garcia (D-Bell Gardens), E. Garcia (D-Coachella), Gatto (D-Glendale), Gipson (D-Carson), Gomez (D-Los Angeles), Gonzalez (D-San Diego), Gordon (D-Menlo Park), R. Hernandez (D-West Covina), Holden (D-Pasadena), Jones-Sawyer (D-South Los Angeles), Levine (D-San Rafael), Lopez (D-San Fernando), Low (D-Campbell), McCarty (D-Sacramento), Medina (D-Riverside), Mullin (D-South San Francisco), Nazarian (D-Sherman Oaks), O’Donnell (D-Long Beach), Perea (D-Fresno), Quirk (D-Hayward), Rendon (D-Lakewood), Ridley-Thomson (D-Los Angeles), Santiago (D-Long Beach), Stone (D-Scotts Valley), Thurmond (D-Richmond), Ting (D-San Francisco), Weber (D-San Diego), Williams (D-Carpinteria).

Noes: Achadjian (R-San Luis Obispo), Allen (R-Huntington Beach), Baker (R-San Ramon), Bigelow (R-O’Neals), Brough (R-Dana Point), Chang (R-Diamond Bar), Chávez (R-Oceanside), Dahle (R-Bieber), B. Gaines (R-El Dorado Hills), Gallagher (R-Yuba City), Grove (R-Bakersfield), Hadley (R-Torrance), Harper (R-Huntington Beach), Irwin (D-Thousand Oaks), Jones (R-Santee), Kim (R-Fullerton), Lackey (R-Palmdale), Linder (R-Corona), Maienschein (R-San Diego), Mathis (R-Visalia), Mayes (R-Yuca Valley), Melendez (R-Lake Elsinore), Obernolte (R-Big Bear Valley), Olsen (R-Modesto), Patterson (R-Fresno), Steinorth (R-Rancho Cucamonga), Wagner (R-Irvine), Waldron (R-Encinitas), Wilk (R-Santa Clarita).

No Vote Recorded: Galgiani (D-Stockton), Roth (D-Riverside), Wolk (D-Davis).
CalChamber Keeps Up Pressure to Reauthorize Export-Import Bank

The California Chamber of Commerce continues to urge Congress to reauthorize the Export-Import Bank of the United States (Ex-Im Bank) in order to continue enabling U.S. companies — both large and small — to turn export opportunities into real sales that help maintain and create U.S. jobs and contribute to a stronger national economy.

The loss of Ex-Im Bank will potentially result in the loss of thousands of U.S. jobs.

Repercussions

Failure to reauthorize the Ex-Im Bank, which expired on June 30, 2015, has already seriously disadvantaged at least one U.S. company. Newspaper articles report Boeing Co. is scrambling to renegotiate an about $85 million satellite contract that became the first big casualty of the Ex-Im Bank’s loss of its operating charter due to congressional opposition.

Asia Broadcast Satellite last month terminated its order for a Boeing 702SP satellite, although the two say they are continuing to discuss the deal. The Bermuda-based telecommunications company said the federally backed bank’s inability to finance new loans led it to begin evaluating options outside the United States that could attract support from other export credit agencies.

The satellite industry relies far more on export credit support than sectors such as commercial jets as most banks are reluctant to finance assets that are difficult to repossess or place with other customers. Ex-Im said it has backed around 60% of sales by U.S. manufacturers in recent years, compared with around 15% of commercial jet deals.

“Ideally on ABS and for our other campaigns, Ex-Im will be reauthorized by the end of the year or we will continue to see terminations and losses,” said a spokesman for Boeing, the largest beneficiary of the agency’s support and the most vocal proponent of reopening the bank.

Ex-Im Bank

The mission of Ex-Im Bank is to support U.S. jobs through exports. The Ex-Im Bank, a small federal agency, serves as the official export credit agency of the United States, thereby helping U.S. companies sell their products overseas. It assists small and large U.S. companies in financing the export of U.S. goods and services to international markets.

Ex-Im Bank does not compete with private sector lenders, but provides export financing products that fill gaps in trade financing. It assumes credit and country risks that the private sector is unable or unwilling to accept. It also helps to level the playing field for U.S. exporters by matching the financing that other governments provide to their exporters.

With 80 years of experience, Ex-Im Bank has supported more than $676 billion of U.S. exports, primarily to developing markets worldwide. Ex-Im Bank is vital to American competitiveness — its support is often required to secure commercial financing or even to qualify to bid on overseas projects. Without the Ex-Im Bank, small businesses will lose out to their overseas competitors, many of which are backed by export credit agencies 18 times the size of the U.S. Ex-Im Bank.

California Benefits

California has especially benefited from the Ex-Im Bank’s facilitation of exporting:

• Over the last seven years, the Ex-Im Bank has assisted more than 1,150 California companies.
• Exports from these companies totaled more than $26 billion in sales.
• In 2013 alone, Ex-Im Bank supported nearly 400 California exporters for a total of $5 billion in sales.
• Since 2007, California companies Ex-Im Bank has assisted include 815 small businesses, 139 minority-owned, 106 women-owned, 53 environmentally beneficial and 14 renewable energy.

Self-Sustaining

In addition to supporting jobs, the Ex-Im Bank is a self-sustaining agency that operates at no net cost to the taxpayers. Ex-Im Bank pays for itself by charging fees or interest to its customers for loans, credit insurance and loan guarantees that they receive.

• Small and medium-sized businesses account for 90% of Ex-Im Bank’s transactions.
• In 2013, Ex-Im Bank supported more than 200,000 American jobs.
• In 2014, Ex-Im Bank provided financing or guarantees for $27.5 billion in U.S. exports, thereby supporting more than 164,000 American jobs.
• Over the past two decades, Ex-Im Bank has generated a surplus of nearly $7 billion.

For California statistics from Ex-Im Bank: http://customermap.exim.gov/state_map.cfm?state=CA

CalChamber Position

The CalChamber 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.

Action Needed

The CalChamber is urging businesses to contact their representatives in Congress to ask that Ex-Im Bank be reauthorized as quickly as possible. An easy-to-edit sample letter is available at www.calchambervotes.com.

Staff Contacts: Marti Fisher, Susanne T. Stirling
Protect your business and employees.

California companies with 50 or more employees are required to provide two hours of sexual harassment prevention training to all supervisors **within six months of hire or promotion**, and every two years thereafter. CalChamber’s online supervisor course meets state training requirements and helps your company avoid work situations that put you at risk for costly lawsuits. Regardless of company size, we recommend training for all nonsupervisory employees as well. Learners can start and stop anytime because the system tracks their progress.

**Take 20% off our online California Harassment Prevention courses.**

Preferred and Executive members save an extra 20% after their 20% member discount! Use priority code HPTDAA by 9/30/15.

ORDER online at calchamber.com/HPTdeal or call (800) 331-8877.

Learners can take the California courses in English or Spanish, on most tablets or right from the desktop.