



GOVERNMENT AFFAIRS COUNCIL

**Chaffey Joint Union High School District
Board Room
211 West Fifth Street
Ontario, CA 91762**

**Thursday, November 8, 2007
9:30am – 10:30am**

Presiding: Bob Cruz, Chair

Call to Order

Chair's Report

- *GAC Voting Membership*
- *2008 Policy Platform*
- *United States / Peru Trade Promotion Agreement (PTPA)*

President & CEO Report.

Legislative Representative Updates

Agenda Items

1. **October 2007 GAC Minutes** **ACTION**
2. **Californians for Clean and Reliable Energy Coalition** **ACTION**
3. **2008 Statewide Propositions** **ACTION**

Next GAC Meeting: Thursday, December 13, 2007

Announcements

Adjourn

GAC Voting Membership

The following GAC voting member serves from May 10, 2007 to December 31, 2008.

- **Bob Cruz, Chair**
The Gas Company
- **Sonny Rosales**
Merrill Lynch
- **Sandra Elrod**
Inland Empire Utilities Agency
- **Peter Synn**
Enterprise Rent-A Car
- **Cindy Anderson**
BAE Systems
- **Patti Arldt**
Metropolitan Water District
- **Cid Pinedo**
Chaffey College Foundation
- **Maria Tessoro Fermin**
LA/Ontario International Airport
- **Steve Harrington**
County of San Bernardino
- **Jack Storrusten**
Daily Bulletin

GAC Staff:

- **Mark Smiley**
President and CEO
- **Shaun Lumachi**
Director of Government Affairs

2008 Policy Platform

**ONTARIO CHAMBER OF COMMERCE
GOVERNMENT AFFAIRS COUNCIL**

2008 POLICY PLATFORM

Bob Cruz, Chair
The Gas Company

Approved Unanimously by the GAC - October 2007
Approved Unanimously by the Board of Directors - October 2007

Background

Each year, pursuant to the Ontario Chamber's Government Affairs Committee (GAC) Operating Procedures, the GAC shall develop the Chamber's legislative priorities. Each of the policy goals shall serve as the foundation for the Ontario Chamber's, stakeholders, and the City of Ontario's, continuing effort to improve the Ontario and regional business climate.

The Ontario Chamber will use the policy platform to review and consider local, statewide, and when appropriate, federal legislation and communicate the information to the Chamber's membership.

Draft 2008 Ontario Chamber of Commerce Policy Platform

Economic Development and Housing

1. Monitor development projects within the Ontario region.
2. Monitor land use, planning, housing and zoning proposals that impact the regional Ontario business community.
3. Review and consider policies that protect Ontario's reputation as an attractive prosperous location for business, balancing employment and housing needs with natural resource preservation and community infrastructure necessary to support current and future business needs.
4. Monitor and consider policies that protect private sector property rights as it relates to eminent domain and the overall impact to the Ontario business community.
5. Review and consider policies that ensure local housing and associated financing is attainable for employees and consumers in Ontario.
6. Review and consider policies that upgrade blighted or abandoned properties making way for workforce housing and business opportunities.
7. Monitor policies that impact the expansion and retention of businesses in Ontario.

Aviation

1. Monitor and review policy that preserves, promotes and progresses the economic vitality of Ontario's regional aviation industry.
2. Monitor and promote, when appropriate, aviation industry expansion including the preparation of cost/benefit analysis to ensure economic impacts are weighed before the imposition of legislative and/or regulatory statutes.

Education

1. Monitor and consider policies that impacts education systems in our region that prepares people for 21st century jobs and careers.
2. Support the development of on-going programs within the business community that integrates with the local educational sectors in our area that offer vocational and technical career education and training paths.

Infrastructure Improvements

1. Review and consider reliable, stable, and competitively priced energy sources for the Ontario region and California's businesses and consumers.
2. Encourage an adequate supply of appropriate housing to meet the needs of the Ontario region and monitor its impact on the Ontario business community.
3. Review and consider polices that maintain water supply and water quality.
4. Review and consider policies that impacts air quality standards which might place Ontario's regional business community at a competitive disadvantage.

Transportation

1. Review and consider transportation improvement plans that relieve congestion on freeways, streets and roads, and ensure mobility within the Ontario region.
2. Review and consider legislative proposals that place mandates upon the automobile industry.
3. Review and consider tax proposals that impact the automobile, trucking and rail industries.
4. Review and consider legislation impacting the flow and storage of materials from the point of origin to the point of consumption that might place Ontario's inbound and outbound logistics industry at a competitive disadvantage

Government Finance

1. Ensure that regulations on businesses are kept to a minimum and do not put Ontario businesses at a competitive disadvantage.
2. Review and consider reform measures that solve the state budget's continuing structural deficit that promotes real economic growth and job creation and its impact on the Ontario business community.
3. Encourage cooperation among local and state government agencies, and work to streamline and reduce unnecessary requirements by regulatory agencies.
4. Review and consider ways to privatize government services and public contracts while maintaining or improving standards.
5. Review and consider state and local tax changes and new tax categories affecting the Ontario business community.
6. Support and promote, when appropriate, the preparation of cost/benefit analysis ensuring economic impacts are weighed before the imposition of regulatory statutes.
7. Support local and state programs, when appropriate, that secure tax credits for targeted programs.

Pro-Business Leadership

1. Continue and maintain a working relationship with local, state and federal representatives.
2. Review and consider legislative proposals that promote standards of corporate governance that guide boards of directors and corporate officers in managing their corporations in a competent, ethical manner.
3. Review and consider measures that reform the state's redistricting process.

Employee Relations

1. Review and consider measures that reform the extraordinary costs of the state's public pension system.
2. Seek and monitor alternatives to any proposed state minimum wage increases and any local or state living wage ordinances.
3. Monitor and provide recommendations to any workers' compensation reform proposals that might place Ontario businesses at a competitive disadvantage.
4. Review and consider responsible healthcare reform proposals that protect Ontario businesses and result in increased availability of affordable healthcare coverage for employers, employees and their dependants.
5. Review legislative proposals that might cause unwarranted and frivolous lawsuits on Ontario businesses, consumers and taxpayers.

Trade Expansion and Investment

1. Review and consider the application of innovative technologies to improve the movement of goods and people in Ontario and throughout the Inland Empire.
2. Review and consider environmental policies that impact the trade industry and the overall Ontario business community.
3. Review and consider policy proposals that promote trade and commerce opportunities for Ontario with international countries.
4. Review and consider policies that aggressively improves opportunities to expand regional, national and international trade.

Healthcare

1. Review and consider legislative and regulatory policies that preserve the current voluntary employer-provided healthcare coverage system.
2. Review and consider efforts to contain the costs of premiums.
3. Review and consider legislation to allow employers to offer more affordable benefit plans that allow choices in coverage.
4. Review and consider policies that prevent cost shifting from government-provided programs to the private sector.
5. Review and consider policies that curb the expansion of litigation in the health care system.

United States / Peru Trade Promotion Agreement (PTPA)

Background

- The US Chamber of Commerce contacted us asking for the Ontario Chamber to support the United States / Peru Trade Promotion Agreement (PTPA).
- Congressman Baca has informed the US Chamber that he is leaning towards supporting it, however, he will NOT take a position until the Ontario Chamber communicates its position to him.
- The GAC Chairman, Vice Chair of Government Affairs and a member of the GAC appointed by the Board Chair shall have the authority, by unanimous decision, to act on behalf of the GAC to approve any public policy positions that align with the board approved policy platform consistent with the GAC's mission statement.
- The GAC members and the Board of Directors were notified on November 1 of the position (within 48 hours).
- The GAC shall reserve the authority to modify any time sensitive position at its next scheduled meeting by a vote of 60% of the total GAC voting membership in favor of the motion.

On October 31, 2007, the GAC leadership took the following action:

- *Support the United States / Peru Trade Promotion Agreement (PTPA)*
- *A letter was sent to Congressman Baca supporting the agreement and Mark Smiley called the Congressman's office.*

Opposition

- There is limited opposition to this specific free trade agreement.
- Most opposition to the agreement is coming from hard-line labor democrats and labor organizations.
- Democrats Speaker Pelosi and Ways and Means Chairman Rangle are in support of this agreement.

Policy Platform

- Review and consider policy proposals that promote trade and commerce opportunities for Ontario with international countries.
- Review and consider polices that aggressively improves opportunities to expand regional, national and international trade.

Issue

- U.S. trade with Peru has doubled over the past three years.

- Two-way commerce reached \$7.4 billion in 2005, eclipsing the total flow of trade covered by all our Middle Eastern and North African Free Trade Agreements (FTAs), which won overwhelming bipartisan support in the Congress.
- Trade and investment with Peru already sustains thousands of U.S. jobs.
- 5,080 U.S. companies export their products to Peru, one of Latin America's most dynamic growth markets. Of those, 80 percent were small and medium-sized companies.
- U.S. farmers and ranchers sell more than \$250 million worth of agricultural products to Peru each year, and the Agriculture Coalition for U.S.-Peru Trade estimates the agreement will boost U.S. agricultural exports to Peru by more than \$700 million per year upon full implementation.
- The agreement will enhance U.S. efforts to strengthen democracy in the Andean region and lend support for the rule of law, investor protections, intellectual property, internationally recognized workers' rights, and transparency and accountability in business and government.
- To foster democracy and development in the Andean region, the United States unilaterally opened its markets to most imports from Peru and its neighbors through the 1991 Andean Trade Preference Act, which was renewed and expanded in 2002. As a result, fully 98% of all imports from Peru already enter the U.S. marketplace duty-free, and the average U.S. duty on imports from Peru is just one-tenth of one percent.
- By contrast, the U.S. International Trade Commission reports that "most of Peru's average tariff rates range from 12% to 25%." In other words, Peru enjoys nearly free access to our marketplace while our access to theirs remains limited.
- PTPA will fix this imbalance by making this trade relationship a mutually beneficial, reciprocal partnership. Eighty percent of U.S. consumer and industrial products and more than two-thirds of current U.S. farm exports will enter Peru duty-free immediately.
- Trade with Peru is already benefiting the United States and the PTPA will only enhance U.S. trade relations within the region and support U.S. companies bottom line.

Letter to Congressman Joe Baca

November 1, 2007

Honorable Joe Baca
 Congressman, 43rd District
 201 North "E" Street, Suite 102
 San Bernardino, CA 92401
 VIA FAX: (909) 888-5959, (202) 225-8671

RE: United States / Peru Trade Promotion Agreement (PTPA) - SUPPORT

Congressman Baca:

On behalf of the Ontario Chamber of Commerce, I am writing to urge you to support the United States / Peru Trade Promotion Agreement (PTPA).

It is the policy of our chamber to review and consider proposals that:

1. Promote trade and commerce opportunities for Ontario with international countries and to review, and;

2. Consider polices that aggressively improves opportunities to expand regional, national and international trade.

After discussing this issue, our chamber believes this agreement is needed to sustain thousands of jobs in our country. It is our understanding that 5,080 companies in the United States export their products to Peru. Of those, 80 percent are small and medium-sized companies.

We are concerned that 98% of all imports from Peru already enter the United States marketplace duty-free, and the average United States duty on imports from Peru is just one-tenth of one percent. ***Supporting this agreement is a vote for more jobs.***

Trade with Peru is already benefiting the United States and the PTPA will only enhance our trade relations within the region and support our businesses bottom lines enabling more jobs to be created in Ontario and throughout our country.

It is in that spirit, that I urge you to SUPPORT the United States / Peru Trade Promotion Agreement when it comes before you for your consideration.

Sincerely,

Mark Smiley
President and CEO

cc: United States Chamber of Commerce (818) 884-2511
California Chamber of Commerce (916) 444-6685

OCTOBER 2007 GAC MINUTES

Government Affairs Council
October 11, 2007
9:30 a.m.

MINUTES

- I. In Attendance: Bob Cruz, Sonny Rosales, Sandra Elrod, Peter Synn, Jack Storrusten, Mark Smiley, Shaun Lumachi, Stephanie Palomar
- II. Legislative Representatives:
- III. Meeting called to order - Bob Cruz: 9:36 A.M.
- IV. Introductions:
- V. Approval of Minutes:
 - See Government Affairs Council Meeting Minutes dated September 13, 2007
- VI. Chair's Report:
 - *GAC Voting Membership*: Steve Harrington will be stepping down from committee. Will discuss open seat at next meeting.
- VII. President & CEO Report:
 - *Washington DC Legislative Fly-In*: See President & CEO Report Packet dated October 11, 2007. Mark Smiley informs council that Express Jet was pleased with the 2007 Legislative Fly-In and has expressed interest in participating in the 2008 Legislative Fly –In. Mark recommends the GAC initiate a Sacramento Fly-In in May in addition to the September Washington D.C. Fly-in.
- VIII. Action Items:
 - *Approval of Minutes*: Bob Cruz asks the council to review the minutes from September 13, 2007 meeting. Peter Synn moves to approve the minutes. Seconded by Jack Storrusten. Motion passes unanimously.
 - *2007 Policy Platform*: By unanimous consent the changes that were made at the September and October GAC meeting were submitted to the Ontario Chamber of Commerce Board of Directors for review and approval.
- IX. New Business/Old Business:
 - *2007 Policy Platform*: Shaun Lumachi resumes read through and review was completed.
- X. Meeting adjourned: 10:45 a.m.

Respectfully Submitted,
Stephanie Palomar
Executive Assistant
Ontario Chamber of Commerce

Californians for Clean and Reliable Energy Coalition

Presentation

Shaun Lumachi

Director of Government Affairs

Recommended Positions

Join the Californians for Clean and Reliable Energy Coalition which supports the Sunrise Powerlink project.

Policy Platform

Review and consider reliable, stable, and competitively priced energy sources for the Ontario region and California's businesses and consumers.

Background

The Sunrise Powerlink will help ensure reliable electric service.

The Sunrise Powerlink will have enough capacity to power more than 650,000 homes and businesses in San Diego County and southern Orange County (San Diego Gas & Electric's service territory). As a vital new link to the state's power grid, the Sunrise Powerlink will help ensure Southern California homes and businesses have the energy they need when they need it most.

California's 36 million residents receive their power via a network of interconnected transmission lines that work together to provide reliable electric service to homes and businesses throughout California. A disruption or breakdown of major transmission lines can compromise the entire system and put consumers across the state at risk for blackouts and energy shortages.

The landmark Global Warming Solutions Act of 2006 (Assembly Bill 32) positioned California as a world leader in the effort to reduce greenhouse gas emissions. One of the state's primary tools for meeting its energy goals is the Renewable Portfolio Standard, which requires all investor-owned utilities to generate at least 20 percent of their total electricity from renewable energy sources by 2010.

According to the California Energy Commission, tapping renewable resources in California's Imperial Valley would help the state meet its energy goals. Industry experts, however, cite California's lack of adequate transmission as an impediment to unlocking the renewable generation potential for solar, geothermal and wind energy in this region.

Summary

California's transmission shortage affects our ability to access clean energy from regions such as the desert southwest where solar resources are abundant. The Sunrise Powerlink would expand access to new supplies of clean solar, wind and geothermal energy in the Imperial Valley that are waiting to be tapped and help California move towards a greener energy future.

This new transmission line will have the capacity to deliver 1,000 megawatts of renewable power to homes and businesses throughout the San Diego region and southern Orange County (San Diego Gas & Electric's service territory). This clean power would eliminate tons of greenhouse gases that would be emitted if this same amount of energy was generated by conventional power plants.

2008 Statewide Propositions

Presentation

Shaun Lumachi
Director of Government Affairs

The following ballot propositions have qualified for the February 5, 2008 Primary Election:

Proposition 91 Transportation Funding
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Recommended Position

Support

Policy Platform

Review and consider transportation improvement plans that relieve congestion on freeways, streets and roads, and ensure mobility within the Ontario region.

Background

- This ballot measure would prohibit the use of funds that are earmarked for transportation to be used for anything else other than transportation related issues after July 2008.
- This measure eliminates General Fund borrowing of specified transportation funds, except for cash-flow purposes (repayment required within 30 days of adoption of budget) which the current law allows borrowing for three years where Governor declares transfer would cause significant negative fiscal impact on governmental functions and Legislature enacts authorizing statute.

Proposition 92 Community Colleges
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Recommended Position

Support

Policy Platform

Monitor and consider policies that impacts education systems in our region that prepares people for 21st century jobs and careers.

Background

- Establishes in state constitution a system of independent public community college districts and Board of Governors.
- Requires minimum levels of state funding for school districts and community college districts to be calculated separately, using different criteria and separately appropriated.

- Allocates 10.46 percent of current Proposition 98 school funding maintenance factor to community colleges.
- Sets community college fees at \$15/unit per semester and limits future fee increases.
- Provides formula for allocation by Legislature to community college districts that would not otherwise receive general fund revenues through community college apportionment.

CalChamber Opposes Proposition 92

- The Community College Governance Funding Stabilization and Student Fees Reduction Act would amend the California Constitution to guarantee community college funding levels without adding any accountability structure.
- CalChamber believes the proposed Act would inflict an enormous amount of pressure on California's already stressed general fund and possibly require major cuts from other programs funded from the same pool of money.
- In addition, CalChamber believes that this measure would result in prioritizing one higher education system's funding priorities over the needs of two other important systems -- the University of California and California State University System.

<p>Proposition 93 Limits on Legislator's Terms in Office</p>
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Recommended Position

Support

Policy Platform

Review and consider measures that reform the state's redistricting process.

Background

- It will reduce the total time a Member can serve in the California Legislature from 14 to 12 years, while allowing Members to gain more experience in one body of the Legislature.
- This reforms our current term limits to reduce partisanship, puts an end to the constant campaign cycle and empowers legislators to work more effectively together across partisan lines.
- Currently, of the 80 Members of the State Assembly, 34 are in the first year of their first term in office.
- That means a quarter to nearly half of all legislators are brand-new on the job every two years.
- Reforming term limits will slow this rapid turnover and build expertise and leadership on California's most pressing issues.
- All Legislative candidates elected in November 2008 would serve under the new term limits requirements.
- While the initiative reduces the amount of time elected officials can stay in office, one of the main goals is to maintain stability and knowledge in the Legislature. Current Members of the Legislature would be able to serve a total of 12 years in the house in which they currently serve, including all previous service in that body.

The following ballot propositions have qualified for the November 4, 2008 General Election Ballot:

High-Speed Passenger Train Bond
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Recommended Position

Support

Policy Platform

Review and consider transportation improvement plans that relieve congestion on freeways, streets and roads, and ensure mobility within the Ontario region.

Background

- This new measure would create the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century.
- The bond would provide the issuance of \$9.95 billion of bonds, which \$9 billion of it would be used in conjunction with available federal funds for the planning and construction of the high-speed train system.
- The initial high-speed train line would link San Francisco and the Bay Area to Los Angeles with additional lines linking all of the state's major population centers to include Sacramento, the Central Valley, the Inland Empire, Orange County, and San Diego.
- The entire 700-mile system would be constructed and in revenue service by 2020 with the initial line in limited service by 2008.