



**SBACC Meeting
July 2005 Agenda
www.sbacc.com**

- 1) **Welcome**.....Marna Smeltzer, Chairman of the Board
- 2) **Self Introductions**.....All
- 3) **Distribute Sign-in sheet**..... Marna Smeltzer
- 4) **Distribute Area of Interest Sign up Sheet**.....Marna Smeltzer
- 5) **Approval of Minutes**
- 6) **Financial Report**.....Jerry Say - NA
 - a) Membership Report
- 7) **PRESENTATION: LAX** – Mayor Kelly McDowell, El Segundo
- 8) **Task Force Report on to introduce General Hamel**Carleen Beste & George Torres
- 9) **Task Force Report on event to introduce new LA Mayor**.....
- 10) **Special Election Candidates Forum**..... Marna Smeltzer
- 11) **Legislative Issues & Updates** Shaun Lumachi
 - a) 2005 Policy Platform Action
 - b) Electrical Restructure Recommendation Action
 - c) Budget Reform Recommendation Action
 - d) Legislative Report Action
 - e) Letter to Los Angeles Mayor Information
 - f) CAFTA Letter Information
- 12) **Sponsor Program Update**Carleen Beste / Marcella Low
Watson Land confirmed participation.....
- 13) **August 2 Meeting** – Port of LA Boat Tour??
- 14) **Executive Board will meet July 20th to discuss organization issues from the Planning Conference**
- 15) **Partner Reports:**
 - a) LAAFB Alliance Report: John Parsons and Jerry Say
 - b) 310 Area Code Update: Jackie Bacharach, South Bay Council of Governments
 - c) SBEDP Report: Jerry Say
 - d) California Chamber: Marlene Carney
 - e) US Chamber: Dick Castner – **Discuss federal FAX bill**
 - f) Legislators: Schwarzenegger – Chung – Oropeza - Gordon - **Boxer**
 - g) **Request for Partnership with the Torrance Chamber** for a Legislative Leadership Luncheon with CA Attorney General Bill Lockyer on **September 30th**. We have locked it in and would love to have the SBACC as a partner. If you want to wait another month when I am there, that's fine too.
- 16) **Upcoming Events / Announcements**
- 17) **Next Meeting**..... August 2, 2005 at 8:00 a.m. in the Torrance Chamber
 - Thank you to today's refreshment sponsor: Lanny Nelms and the San Pedro Chamber

2005 Policy Platform

SBACC 2005 Policy Platform

- Ensure that regulations on business are kept to a minimum and do not put South Bay businesses at a competitive disadvantage.
- Encourage a tax and fee system that is market competitive.
- Encourage the protection of private property rights.
- Review and consider transportation improvement plans that relieve congestion and ensure future mobility within the South Bay region.
- Ensure that government focuses on the functions meant for only government to do, and view the private sector as a resource.
- Require the government to be accountable for its actions and for the programs it operates.
- Require government and its actions to be measured periodically to ensure maximum efficiency and return on investment with public funds.
- Promote a legal system that contains checks and balances to ensure fairness to all.
- View the private sector as a partner in serving the needs of the public.
- Support an educational system that prepares people for jobs and careers.
- Encourage cooperation among government agencies, and work to streamline and reduce unnecessary requirements of regulatory agencies.
- Promote a quality of life that supports the South Bay region as an affordable place to live, work and do business.
- Promote economic development opportunities in the South Bay for business retention and attraction.
- Encourage an adequate supply of appropriate housing to meet the needs of our region.
- Encourage an adequate, reliable and cost-effective utility infrastructure system (including gas, electric and water) be promoted, developed and maintained to meet the needs of our community.
- We recognize the significant contribution of the LA International Airport to the economic and job base of the region. SBACC supports reconfiguration of LAX not to exceed 78 million passengers annually and only when concerns of airport security, air and ground traffic and infrastructure, and sufficient and convenient passenger access and ground transportation are adequately addressed. In addition, SBACC supports a regional solution to meet air passenger and cargo needs.
- We recognize the positive economic impact of the Los Angeles Air Force Base on the South Bay region. SBACC supports the retention of the Los Angeles Air Force Base in an effort to protect the Los Angeles Air Force Base as the Department of Defense begins the next round of Base Realignments and Closures (BRAC).

Governor's Energy Reorganization Plan (GERP)

Presentation

Marna Smeltzer
Chair of the Board

Summary

On June 13, Governor Schwarzenegger formally submitted his Governor's Energy Reorganization Plan (GERP) to the Legislature to create a Department of Energy. The Legislature has only two options: accept or reject the plan. It cannot be amended after submission to the Legislature.

The fundamentals of GEPR are as follows:

1. Creates the Department of Energy (DOE), to be headed by the Secretary of Energy.
2. DOE is the successor agency for the California Energy Commission (CEC), California Power Authority, and Electricity Oversight Board (EOB).
3. The CEC and a newly-created Office of Energy Market Oversight would be within the DOE.
4. The CEC reconstituted membership would be as follows: the Secretary of Energy would be chair of the Commission; four public members appointed by the governor and confirmed by the Senate, for a term of 4 years; the California Public Utilities Commission (CPUC) president (non-voting) and CEO and President of Cal-ISO (non-voting).
5. Transfers EOB functions to DOE's Office of Energy Market Oversight, under the direction of the Secretary of Energy.
6. Transfers California Power Authority functions to the DOE.
7. Transfers all Department of Water Resources (DWR) CERS authority (pursuant to Section 80000, enacted during the 2000-2001 electricity crisis) to DOE.
8. Transfers siting of gas and transmission facilities to the CEC/DOE.

The advantages of GPR 3 are:

1. Improves accountability;
2. Consolidates energy functions and reduces fragmentation, duplication and overlap;
3. Having a cabinet-level Secretary of Energy will raise the awareness level and importance of energy issues.
4. An enhancement on the current situation

Recommended Position

The SBACC SUPPORTS the Governor's Energy Reorganization Plan

Budget Reform Recommendation

The Live Within Our Means Act

Issue

- California doesn't have a revenue problem -- it has a spending problem. Our Legislature is addicted to spending taxpayers' money.
- We are facing an ongoing budget crisis because the Legislature can't seem to say no to the special interests who dump millions of dollars into their campaigns.
- Between 1998 and 2004, the Legislature increased overall spending by 44 percent – from \$75 billion to \$108 billion – even though the state did not have enough money to pay for all that new spending.

Governor's Solution

- The **Live Within Our Means Act** will force the Legislature to live by the same basic rule California families live by: Don't spend more money than you bring in.
- The **Live Within Our Means Act** will force politicians to stop autopilot spending and set clear funding priorities each year based on what's best for the state.
- The **Live Within Our Means Act** will stabilize education funding and make sure it is protected against big cuts in bad economic times.
- The **Live Within Our Means Act** puts into place, for the first time, a firewall to block the state from raiding funds dedicated for local health and social service programs. The measure has no effect on dedicated funding for local public safety programs.
- It will place reasonable, responsible limits on state budget growth by limiting year-to-year budget increases to the average growth in revenue for the past 3 fiscal years. This will prevent legislators from creating costly new programs during economic booms that demand ongoing spending when revenues drop.
- The **Live Within Our Means Act** requires the state to use extra revenue from peak years to build "rainy day funds" to prepare for inevitable future economic downturns. When revenue shortfalls occur, it will allow the state to spend reserves to maintain essential state services. It also allows the governor to make mid-year cuts when the state faces a fiscal crisis, which will help to fix budget problems in the middle of the year before things get out of hand.

Recommended Position

The SBACC SUPPORTS the Live Within Our Means Act

ACTION
AGENDA ITEM 11d
SBACC Board Meeting
July 2005

Legislative Report #3

Letter to Los Angeles Mayor

Background

The SBACC board directed staff to prepare a letter to the Mayor-elect of the City of Los Angeles. The text of the letter that was sent on June 23, 2005 is below for your information.

June 23, 2005

The Honorable Antonio Villaraigosa
Mayor-elect
Los Angeles City Hall
200 N. Spring Street
Room 425
Los Angeles, CA 90012

Dear Mayor-elect Villaraigosa:

On behalf of the South Bay Association of Chambers of Commerce (SBACC) it is my pleasure to formally congratulate you and welcome you into office.

The SBACC is comprised of 18 chambers of commerce and its members throughout southern California's south bay region - along the coast from Los Angeles International Airport to the Palos Verdes peninsula. We serve 53,000 businesses in the south bay area.

As a cohesive group, we can provide coordination and advance the common business interests of local chambers of commerce within the South Bay area. The SBACC acts as a public policy advocacy body on issues that impact the business and economic climate of the South Bay. The association also provides a forum and structure for cooperative educational programs and services that benefit the collective members of the participating local chambers of commerce and that does not compete with member chambers. We are regarded as the voice of business for regional issue advocacy in the South Bay.

One of our top priorities this year is the reconfiguration of the Los Angeles International Airport (LAX). We recognize the significant contribution of LAX to the economic and job base of the region. SBACC supports reconfiguration of LAX not to exceed 78 million passengers annually and only when concerns of airport security, air and ground traffic and infrastructure, and sufficient and convenient passenger access and ground transportation are adequately addressed. In addition, SBACC supports a regional solution to meet air passenger and cargo needs.

On behalf of SBACC, I wish you much success in your new post and look forward to working together.

Sincerely,
Marna Smeltzer
Chair of the Board
South Bay Association of Chambers of Commerce

CAFTA Letter

Background

The SBACC board directed staff to prepare a letter to California US Senators Feinstein and Boxer regarding the SBACC's support of CAFTA. The text of the letter is below.

June 27, 2005

The Honorable Dianne Feinstein
331 Hart Senate Office Building
Washington, D.C. 20510

The Honorable Barbara Boxer
112 Hart Senate Office Building
Washington, D.C. 20510

Re: DR-CAFTA - SUPPORT

Dear Senator Feinstein and Senator Boxer:

On behalf of the South Bay Association of Chambers of Commerce (SBACC), I am writing to ask you to support the U.S.-Dominican Republic-Central America Free Trade Agreement, better known as DR-CAFTA. This agreement will eliminate barriers to U.S. exports to Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras and Nicaragua. It is critical that Congress approve this win-win trade agreement, which will bring significant benefits to American workers, farmers, and companies.

The SBACC serves 18 chambers of commerce and its members throughout southern California's south bay region - along the coast from Los Angeles International Airport to the Palos Verdes peninsula. We provide coordination and look to advance the common business interests of local Chambers of Commerce within the South Bay area. The SBACC serves as a public policy advocacy body on issues that impact the more than 53,000 businesses and economic climate of the South Bay. We provide a forum and structure for cooperative educational programs and services that benefit the collective members of the participating local Chambers of Commerce and that does not compete with member Chambers. The SBACC is regarded as the voice of business for regional issue advocacy in the South Bay.

DR-CAFTA will create the largest new FTA market in over a decade. Americans already export more than \$15.7 billion each year in U.S. products to Central America and the Dominican Republic — more than we sell to India, Indonesia, and Russia combined. Two-way trade reached \$32 billion in 2004.

This agreement will provide a level playing field for American workers, farmers, and companies and ensure that we get the full benefit of trade with this dynamic growth market. More than 20 years ago, the United States unilaterally opened its market to these six countries, and nearly everything we import from them enters our market duty free. On the other hand, when American workers and farmers sell their goods to Central America, we face average tariffs in the 7-11% range (and up).

DR-CAFTA will correct this unfair trade imbalance by eliminating tariffs on 80% of U.S. manufactured goods

and 50% of U.S. agricultural exports immediately while phasing out most remaining tariffs over a few years. In fact, a Chamber study covering 15 states found that DR-CAFTA will create 25,000 new jobs and \$4 billion in new sales in its first year.

But the case for DR-CAFTA goes beyond business — and beyond trade. The last time Central America loomed on the agenda in Washington was during the civil wars of the 1980s. Today, these are democracies and free market economies. Passing DR-CAFTA will help Central America build on the progress of the past 20 years.

By contrast, rejecting DR-CAFTA would be a kick in the teeth for these new democracies. As seven former Secretaries of State recently wrote, “DR-CAFTA will significantly enhance the prosperity and stability of the region, and in so doing will make a more secure United States of America.”

We urge you to cast a favorable vote for DR-CAFTA. Please let us know if we can provide additional information.

Sincerely,

Marna Smeltzer
Chair of the Board
South Bay Association of Chambers of Commerce

CC: US Chamber of Commerce
California Chamber of Commerce