



**SBACC Meeting  
June 2005 Agenda**

- 1) **Welcome**.....Marna Smeltzer, Chairman of the Board
- 2) **Self Introductions**.....All
- 3) **Distribute Sign-in sheet**..... Marna Smeltzer
- 4) **Approval of Minutes**
- 5) **Financial Report**.....Jerry Say - NA
  - a) Membership Report
- 6) **LAAFB Next Steps**.....John Parsons
- 7) **Sacramento Trip Report: May 24 & 25**.....Ann Garten
- 8) **Appoint Task Force – Summer event to introduce General Hamel**
- 9) **Mid Year Goals Review**
- 10) **Legislative Issues & Updates** ..... Shaun Lumachi
  - a) *Legislative Report #2*
  - b) *2005 Policy Platform*
  - c) *SBC and AT&T Merger*
- 11) **Sponsor Program Update** .....Carleen Beste / Marcella Low
- 12) **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                         Gordon – Oropeza – Schwarzenegger
  - g) **Request for Partnership with the Torrance Chamber** for a Legislative Leadership Luncheon with CA Attorney General Bill Lockyer on September 30<sup>th</sup>. 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.
- 13) **Upcoming Events / Announcements**
- 14) **Next Meeting**..... Tuesday, July 5, **Or discuss change because of holiday**  
2005 at 8:00 a.m. in the Torrance Chamber

➤ *Thank you to today's refreshment sponsor: Barbara Dye, Palos Verdes Chamber*

**MID YEAR GOALS REVIEW**

**South Bay Association of Chambers of Commerce**  
**PLANNING RETREAT**  
**January 11, 2005**  
**Northrop Grumman ~ Facilitator : Dave Kilby, California Chamber**

**MISSION STATEMENT**

The South Bay Association of Chambers of Commerce is a regional association of chambers of commerce dedicated to regional issue advocacy in the South Bay.

**PURPOSE**

The purposes of the Association are:

- a. To provide coordination and to advance the common business interests of local Chambers
- b. To serve as a public policy advocacy body on issues that impact the business and economic climate of the SB
- c. To 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.

**MEMBER SURVEY RESULTS**

**WHAT ARE THE STRENGTHS/ASSETS OF THE SBACC**

- Leadership
- Regional Voice
- Collaboration Unity
- Respected
- Political Clout
- Experience / History
- Perspective

**WHAT ARE THE WEAKNESSES/CHALLENGES OF THE SBACC**

- Limited Participation
- Agenda – Too Narrow
- Agenda – Needs Focus
- Image
- Avoids Controversy – LAX
- Lack of Paid Staff
- Few know what we do
- United messages needed
- Meet every other month
- Decision Making

**TOP ISSUES**

- Los Angeles Air Force Base
- Housing
- Cost of Doing Business
- No Growth Attitude

- Hire a SBACC Staff Person **DONE**
- Develop Legislative Agenda **DONE & ongoing**
- LAAFB - **Support Alliance Efforts**
- 310 Area Code - **Coalition with SB COG**
- LAX Expansion

Create Organization Task Force

WHEN	WHO	WHAT
April - -	Marna	Call a Organizational Task Force Meeting
		Commitment level – SBACC Expectations
		Orientation
		Discuss number of meetings
		Discuss location of meetings
		Decision Making – Reinforce SBACC Policy
		Reps us continuing organization structure

Other Issues Discussed by Priority Vote:

1. Act Quick between meetings – Develop a process / guiding principals
2. E-Mail Articles – LAAFB Alliance Consultant –Format for Chambers newsletters
3. Look for and use partners to accomplish goals
4. Media Plan – briefing
5. Commitment level of expectations to remain a SBACC member
6. Increase communication among members – information sharing
7. Major Fundraiser
8. Develop Meeting Schedules / Calendar issues
9. Orientation – Expectations would help with decision making
10. Issue Point person for issues
11. Develop Core Values for SBACC
12. Increased Communication
  - a. Article once a month
  - b. Alliance newsletter sound bites fed to the chamber in a format that can be easily used.

**2005 LEGISLATIVE REPORT #2**

AB 20 (Leslie) Disabled persons: access: technical violations.	Assembly Judiciary Committee. No hearing date set.
AB 48 (Lieber) Minimum wage.	Assembly Appropriations. Suspense file
AB 280 (Oropeza) Harbor facilities: crimes	Assembly Appropriations. June 7, 2005
AB 208 (Gordon) School districts: priority for attendance: children of military personnel.	Committee on Education. 3rd Reading
AB 623 (Gordon) Redevelopment: Los Angeles Air Force Base	Committee on Local Government. No hearing date set
AB 640 (Tran) Employment: work hours.	Failed passage. Reconsideration granted in Assembly Labor and Employment. No hearing date set
AB 793 (Benoit) Unemployment insurance taxes: Employment Tax Amnesty Act of 2006.	Reconsideration granted in Assembly Insurance Committee. No hearing date set.
AB 903 (De La Torre) Cable television franchises	Held Under submission
AB 1380 (Gordon) Telecommunication: new area codes	Senate Appropriations.
AB 1580 (Torrico) Sales and use taxes: exemption: telecommunication and manufacturing equipment.	Assembly Revenue and Taxation Committee.
AB 1644 (De La Torre) Income and corporation tax credits: sales tax exemption: repeals.	Assembly Revenue and Taxation.
AB 1709 (Wyland) Workplace postings.	Assembly Labor and Employment Committee – Failed Passage, reconsideration granted
SB 17 (Escutia) Property Tax: Change in Ownership.	Senate Revenue and Taxation Committee.
SB 101 (Battin) Employee compensation.	Held @ desk
SB 174 (Dunn) Minimum Wage	Senate Labor and Industrial Relations.

	3rd reading
SB 178 (Poochigian) Workers compensation: private self-insurance groups.	Suspense file in Senate Labor and Industrial Relations
SB 285 (Maldonado) Employee wages.	Senate Labor and Industrial Relations
SB 300 (Kuehl) Family and medical leave.	Senate Labor and Industrial Relations.
SB 656 (Romero) Taxation: alcoholic beverages.	
SB 757 (Kehoe) Petroleum Demand Reduction Act	Senate Appropriations. 5/16/05
SB 833 (Bowen) Unsolicited advertising faxes	Held @ desk
SB 840 (Kuehl) Single-payer health care coverage.	Senate Appropriations. No hearing date set. Re-referred to committee
SB 855 (Poochigian) Special access: liability.	Senate Judiciary Committee failed passage-reconsideration granted
SB 862 (Perata) Minimum wage increase.	Senate Rules Committee. No hearing date set.
SB 956 (Simitian) Transient occupancy tax	Senate Rules Committee. No hearing date set
SB 1105 (Committee on Banking, Finance and Insurance) Insurance fraud: chiropractors.	Senate Appropriations. Held @ desk
ACA 11 (Oropeza) Transportation funds: loans.	No committee. No hearing date set.

**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.
- 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).

## **SBC / AT & T MERGER**

SBC is formally requesting the support of their merger with AT&T. In late April 2005, the California Chamber of Commerce announced their support of the merger.

According to SBC and AT&T large companies want more sophisticated telecom systems, customized and managed to their specifications. The combination of SBC and AT&T will allow the combined company to compete more effectively in this space. The combined company will have greater financial, technical and marketing resources to deliver customer-based solution sets and will accelerate the introduction of the enterprise product set to small- and mid-sized businesses.

### **Enhanced Global Competition**

Together, SBC and AT&T will be better-positioned for success and leadership within a rapidly changing industry, setting the standard for transition from legacy technologies to advanced, next-generation IP networks and services.

The new company will have the capacity to provide services with the high levels of reliability and customer service that have long been the hallmark of both companies.

### **Best-in-Class Network**

Together, SBC and AT&T will provide large companies with sophisticated national and global telecom systems — customized and managed to their specifications. By combining complementary robust, high-quality network assets both in the United States and around the globe, the combined company can:

- Drive network efficiencies in transport and access by combining traffic on one integrated network.
- Increase density of facilities both in and out of region, which offers shorter on-ramps and better service for voice, data, Internet access and dedicated IP services.

### **Best-in-Class Expertise**

SBC and AT&T share a legacy of innovation, integrity and reliability. This combination ensures that companies' skills, expertise, highly trained employees and network assets benefit government and commercial customers. The combined company will have the resources and skill sets to innovate and more quickly deliver to customers the next generation of advanced, integrated IP-based communications services.

### *California Chamber of Commerce Support of Merger*

The California Chamber believes that the merger will benefit consumers and businesses in California and the United States by allowing two compatible telecommunications companies to form a strategic partnership that will introduce enhanced service and product availability to the telecommunications market. We urge you to quickly approve this merger so the new company can begin to offer the enhanced package of services and products as quickly as possible.

Despite the increasing demand and development of new technological platforms the telecommunications industry has suffered economically. Since 2000 the telecommunications industry has lost 700,000 jobs and seen a decline of capitol investment of more than \$70 billion. Telecommunications companies have lost more than \$2 trillion in market capitalization. Investors are weary of several factors including the outdated mode of regulating telecommunications, which prohibits companies from quickly responding to markets, and slow down the implementation of new technologies. Restructuring is necessary and essential for the recovery and prolonged health of the telecommunications sector. The proposed merger between SBC and AT&T will revitalize the telecommunications sector through the marriage of two companies with complimentary strengths. SBC is a leader in local markets while AT&T has a strong global network. Moreover, SBC local market presence will speed the deployment and adoption of AT&T's voice over Internet Protocol (VoIP) services. Business customers will gain access to a stronger and more comprehensive suite of telecommunications

services. We believe that the merger will provide consumers with enhanced product and service options.

It is important the merger be approved as quickly as possible. Investors will be more likely to make the much-needed investment of capital in the newly formed company if regulators act quickly. Skilled and experienced employees are more likely to stay if the merger is completed swiftly. The longer the merger is allowed to languish the less likely investors and employees alike are inclined to commit to the newly formed company. Swift action by regulators will enable the newly formed company to compete globally and capture international market share.

### *Opposition to the Merger*

#### **Qwest Communications International said Monday that it plans to file comments with the Federal Communications Commission urging commissioners to reject the merger of SBC Communications and AT&T.**

Qwest, the smallest of the four Baby Bell phone companies, said in a statement that the merger would result in higher prices, reduced service quality, and fewer choices for retail and business customers. It also argued that the proposed merger threatens competition from emerging technologies such as wireless, voice over Internet Protocol (VoIP) and other broadband technologies.

"The combination of SBC and AT&T as proposed would set our industry back years," Steve Davis, Qwest senior vice president of public policy, said in a statement. "SBC proposes to acquire its largest competitor and greatest strategic threat. It is inconceivable that this transaction could be in the public interest without the imposition of significant conditions and required divestitures."

Last week, Qwest filed a protest with the Public Utilities Commission of California opposing SBC's merger with AT&T. SBC and AT&T both have a large presence in California.

Qwest has repeatedly voiced its opposition to the \$16 billion merger between SBC and AT&T since it was announced in January. It has also publicly criticized the proposed merger between Verizon Communications and MCI, the No. 2 long-distance carrier in the United States.

For the past three months, Qwest has been bidding on MCI. Last month, Qwest CEO Richard Notebaert argued that an MCI-Qwest merger would allow more competition than a merger between MCI and Verizon.

MCI has already rejected Qwest's offer three times in favor of lower bids from Verizon. But MCI's board of directors had a change of heart Saturday, declaring Qwest's newly revised \$9.9 billion offer as superior to the \$7.8 billion Verizon has offered. Verizon has not indicated if it will raise its bid.

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