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SMAC Legislative Report

Of CALIFORNIA

News from the Small Manufacturers Association of California

A compilation of news and commentary on the recent actions of California Legislators and bureaucrats in Sacramento

LABOR SECRETARY SAYS MANUFACTURING JOBS WILL BE FEWER BUT MORE ADVANCED AND CHALLENGING

“The nation faces two major challenges -- stagnation in wage growth and the increase in long-term unemployed workers”
Thomas Perez, U.S. Secretary of Labor

“Manufacturing in the Golden State” will include a dynamic list of national and regional speakers to address topics such as manufacturing growth strategy, currency manipulation, trade policy, intellectual property theft, tax policies and regulations with business leaders, economists, and labor groups to address manufacturing industry needs in California “
Sara Haimowitz, Coalition for a Prosperous America

By Tom Martin
SMAC Executive Director
& Legislative Chairman

U.S. Labor Secretary Thomas Perez in Los Angeles, on a cross-country Labor Day tour, spoke at the Los Angeles Area Chamber of Commerce, championing higher minimum wages, higher-wage jobs and other causes in talks with employers, workers and local business and union leaders.

Perez told the chamber audience at an August luncheon that the nation faces two major challenges -- stagnation in wage growth and the increase in long-term unemployed workers. He also noted the decline in the unemployment rate and improving prospects for skilled manufacturing jobs.

‘NATION CAN DO MORE TO LIFT WORKERS’

“As a nation,” he said, “we can do more to lift workers up, and to ensure that all hardworking people are able to climb ladders of opportunity and reach for the American dream. It's time to raise the national minimum wage, so that no one working a full-time job has to live in poverty. It's time to update our workplace policies to reflect the realities of the 21st century labor force and to support modern working families. It's time to continue our nation's long commitment to supporting unemployed workers by extending emergency unemployment compensation.”

He suggested attendees consider the manufacturing sector. The difference between Buffalo, N.Y., in the '70s and '80s is that you had the 20,000-person Bethlehem Steel, Republic Steel [plants], and a 10th-grade education bought you a ticket to the middle class.

He said, “The growth we’re seeing in manufacturing today is real and it’s sustainable, and it will be here for decades to come. The difference now is that a 10th-grade education isn’t going to be sufficient. You go to the assembly line at Siemens in North Carolina, and you see people walking around with iPads. You go to the assembly line in Louisville, Ky., at the Ford plant, and every person on that assembly line has the ability to shut the line down.”

Perez said that in today’s advanced manufacturing, you’re not going to get the 20,000-person plant, so we’ve got to be really smart about clustering and understanding what the needs are. You don’t need a college degree to work at Siemens, but you need proficiency with a computer, you need high school plus.

He was asked if he agreed with many Southern California economists, who say manufacturing jobs are gone and they’re not coming back.

ARE MANUFACTURING JOBS GONE FOREVER

He said, “I tend to disagree with that. I heard that in Youngstown, Ohio; I heard that in Detroit, Michigan. And then I see what’s happening now. I see a rebirth. It’s not a rebirth of the scale that we saw in the early 20th century. But the world of advanced manufacturing is a world of great potential for U.S.-based manufacturers -- and I see no reason why Los Angeles can’t grow.

“In almost every other respect, when I look at the numbers and I break down the numbers in L.A., it pretty much mirrors what I see nationally. For instance, business and professional services are the biggest job growth in the last year, and that’s one of the biggest growth areas in Los Angeles. Hospitality has been a big growth area, and similarly in Los Angeles.”

He said, “I don’t know the answer [about why L.A.’s manufacturing isn’t growing]. It would be rank speculation as to why L.A. hasn’t seen the same benefits that I see elsewhere. I just have every reason to believe that this is something that can be turned around.

All of the billion dollars we’ve been giving out is designed to strengthen the ladders of opportunity to the middle class. The CareerConnect grant is all about training people in STEM [science, technology, engineering and mathematics] fields so people don’t graduate from high school and go right to fast food.

They go out of high school with the skills that enable them to maybe go to work at Siemens and move up the ladder there or maybe get their four-year degree or associate's degree. It's all about building well-paying jobs.

He said the best approach is to have a federal minimum wage floor and have that floor be a floor of decency -- \$7.25 is not a floor of decency. And then state and local governments should have the authority to do what they think is most responsive to local needs.

WASHINGTON STATE HIGHEST MINIMUM WAGE

You look at Washington State, which has had the highest minimum wage in the country for 15 years, and their tipped workers are on par, just like California. If the opponents of an increase in the minimum wage were correct, then every time you fly to Seattle, you've got to bring a bagged lunch because there shouldn't be any restaurants because they should have all gone out of business as a result of raising the minimum wage. But if you look at their numbers on job creation, they have been well above the national average consistently over the years.

Our nation is in the midst of a strong economic recovery. I'm optimistic about where we're headed — and I know we wouldn't be where we are without the resilience, commitment and strength of American workers.

Perez concluded, saying "This Labor Day, let's remember that hardworking men and women are the backbone of our country, and let's redouble our efforts to uphold our nation's great promise to them: that if you work hard and play by the rules, you can make it in America."

SMEs TOP SEVEN FREE CYBERSECURITY RESOURCES

By Steven Chabinsky,
CrowdStrike General Counsel & Chief Risk Officer

The following article, written by Steven Chabinsky, General Counsel and Chief Risk Officer for CrowdStrike, a cybersecurity technology firm first appeared in the July, 2014 issue of *Security Magazine*. Chabinsky previously served as Deputy Assistant Director of the FBI's Cyber Division.

SMAC Legislative Report asked permission to reprint it and received the following approval from Mr. Chabinsky. "I am authorized to permit you to reprint the article with proper attribution to include — in addition to my authorship — the publication month and year and a link to the magazine's website (for example, originally published in the July 2014 issue of *Security*, available online at www.securitymagazine.com."

We also acknowledge and thank Diane Ritchey, Editor of *Security Magazine* for her cooperation:

Cybersecurity is now a primary concern of senior executives within both the Fortune 500 and, perhaps, more importantly the "SME 28." That would be the 28 million small and medium enterprises in the United States. Yet, despite a near universal appreciation of the gravity of the threat, many officers and directors throughout industry remain uncertain how best to approach the problem. If your organization falls within that category, don't despair. There are a number of free tools available to organizations of all sizes to better understand and assess their cybersecurity posture.

1. HealthIT.gov

Did you know that the U.S. Department of Health and Human Services developed an easy to use, free Security Risk Assessment tool that works on windows operating systems and can even be downloaded from the Apple App Store for your iPad? The site also includes online game modules for protecting sensitive electronic data and for conducting cyber contingency planning, a 10-step Privacy and Security Plan, a video series on mobile device information security practices and a Security 101 video series. If you're not in the healthcare industry, simply substitute "Critical Sensitive Data" every time you see the terms Protected Health Information or Electronic Health Records, and replace "patients with "Customers/Clients."

2. FCC.gov/cyberplanner

The Federal Communications Commission developed "Small Biz Cyber Planner 2.0" by teaming with members of the public and private sector, including the Department of Homeland Security, the National Cyber Security Alliance and the Chamber of Commerce. With click of a few buttons, companies can create a custom plan to include sections on privacy and data security; scams and fraud; network security, website security; email; mobile devices; employees; facility security operational security; payment cards; incident response and reporting; and policy development and management. Also available on the FCC website is a helpful one-page document titled "Ten Cybersecurity Tips for Small Business."

3. Houston.org/cybersecurity/

Texans are known for doing things in a big way, and this site is no exception, especially when you consider the Greater Houston Partnership prepared this national treasure as a simple resource for local area businesses. Fill out the Cybersecurity Self Assessment Tool and get instant feedback about whether your risk level is relatively low, requires additional cost/benefit analysis, or is screaming out for further investment. Next, review the well-crafted manual on Cybersecurity and Business Vitality.

4. US-CERT.gov/home and business

Brought to you by the U.S. Department of Homeland Security, the information provided here excels at succinctly explaining the basics relating to home and office network security, taking advantage of cloud composting, using mobile devices and effectively deleting files just to name a few.

5. CERT.org/information-for/managers/

Before the United States had a US-CERT, the software Engineering Institute at Carnegie Mellon University ran the CERT Coordination Center. Their website boast a wide array of information to include an extensive podcast series covering forensics, governance metrics, privacy resilience and other significant topics. In addition, CERT offers the most comprehensive information anywhere relating to combating the potentially devastating insider threat.

6. SANS.org/security-resources

Need a security policy? The SANS Security Policy Project assembles more than a dozen information security policy templates in one place, including such timeless classics as Email Security Policy and Internet Usage Policy. This site also is home to the world-renowned top 20 Critical Controls for prioritizing, implementing and measuring those efforts "where products, processes, architectures and services are in use that have demonstrated real world effectiveness."

7. NIST.gov/cyberframework

Last, but certainly not least, is NIST. Its collection of resources is bigger, better and stronger than all of the rest combined but that strength can serve as a weakness if it overwhelms your particular organization. When you're ready for NIST, it will be there for you. Start with the easily accessible Framework. End with a cyber risk management process that will last indefinitely.

Conclusion

Although many of these websites provide the traditional disclaimers that they are no substitute for consulting qualified cybersecurity professionals and legal counsel, they most certainly are a substitute for inaction.

The author of this article, Steven Chabinsky and Security Magazine Editor Diane Ritchey ask readers, "Do you have other resources to offer their readers? (If yes,) please post or send your comments to SecurityMagazine.com. Chabinsky can be reached at steve.chabinsky@crowdstrike.com.

KNOW THE LAW

DIR SIGNS ALLIANCE PROMOTING WORKER SAFETY AND HEALTH

The California Department of Industrial Relations (DIR) joined the United States Department of Labor today to launch this year's Labor Rights Week at San Francisco's Mexican Consulate. The opening ceremony included the signing of an alliance with DIR's Cal/OSHA, Federal OSHA and the Mexican Consulates in California to assist in educating Mexican workers on their labor rights.

The OSHA Alliance Program is an annual agreement that provides for the establishment of cooperative relationships for purposes such as training and education, outreach and communication, and promotion of public dialogue on workplace safety and health.

"Every worker in California is protected by state laws governing the right to be paid correctly, be safe at work and receive benefits if they are injured on the job," said Christine Baker, DIR Director. "As the State Designee for Cal/OSHA, I welcome the opportunity to continue to enrich our collaboration with the Mexican Consulates and Federal OSHA, to educate Spanish-speaking workers on their labor rights and to exercise them."

Labor Rights Week is celebrated annually around Labor Day. The theme for this year's initiative is *Todos tenemos derechos en el trabajo* (We all have workplace rights).

For the sixth year, DIR and its representatives from Cal/OSHA, the Labor Commissioner's Office and Division of Workers' Compensation are participating in Labor Rights Week seminars at all 10 Mexican Consulates across the state this week. DIR additionally attends seminars at Consulates throughout the year to provide information and answer workers' questions on labor rights and how to report problems. Last year, DIR attended 56 Consulate-sponsored seminars and outreach events.

DIR, established in 1927, protects and improves the health, safety and economic well-being of over 18 million wage earners and helps their employers comply with state labor laws. DIR administers and enforces laws governing wages, hours and breaks, overtime, retaliation, workplace safety and health, apprenticeship training programs, and medical care and other benefits for injured workers.

MANUFACTURERS URGED TO ATTEND SAN DIEGO SYMPOSIUM IN OCTOBER

Manufacturing in the Golden State: Making California Thrive, "is the subject of a Thursday, October 16 business symposium sponsored by the Coalition for a Prosperous America and California State Senator Mark Wyland, (R 38-Carlsbad) Vice Chair of the Select Committee on California Job Creation and Retention. It is scheduled to be held at the AMN Healthcare Building, 12400 High Bluff Drive, San Diego, CA 92130 beginning at, 8:30 am and running until 2:30 p. offering Early Bird Rate of \$20 through October 1, 2014; \$35 thereafter (Includes light breakfast and full lunch). Register at prosperousamerica.org. For more information contact Sara Haimowitz (202-688-5145 or sara@prosperousamerica.org).

This is an opportunity for manufacturers, business managers, labor and political leaders to join in a discussion about problems and solutions involving California jobs and manufacturing growth. This unique collaboration and interactive summit will allow participants, business leaders, labor leaders and elected officials to develop strategies and policies to better serve California.

"Manufacturing in the Golden State" will include a dynamic list of national and regional speakers to address topics such as manufacturing growth strategy, currency manipulation, trade policy, intellectual property theft, tax policies and regulations with business leaders, economists, and labor groups to address manufacturing industry needs in California

SCHEDULED KEYNOTE AND TOPIC SPEAKERS

Speakers and (topics) scheduled include:

- Dr. Greg Autry - Assistant Professor of Clinical Entrepreneurship with the Lloyd Greif Center for Entrepreneurial Studies, Marshall School of Business, University of Southern California (Trade and Geopolitics) !
- Mike Dolan - Legislative Representative, International Brotherhood of Teamsters (Trade Policy and Negotiations)!
- Michael Stumo - CEO, Coalition for a Prosperous America (Competitiveness Strategy for America)
- Pat Choate - Economist; Author, "Saving Capitalism: Keeping America Strong" (Tax Reform for Trade Competitiveness)

Keynote Speaker will be Dan DiMicco, Chairman Emeritus, Nucor Steel Corporation. Nucor Corporation, is a Fortune 300 company headquartered in Charlotte,

North Carolina, and the largest steel producer in the United States.

DiMicco became CEO of Nucor in 2006, near the start of the economic slump that radically restructured the steel industry. Nucor states that under DiMicco they modernized production methods. And, under DiMicco, they have stripping away management layers while giving all "teammates," even hourly wage earners, respect, power and rich rewards for doing good work safely.

Under his leadership, Nucor's total shareholder return growth of 720% was almost four times greater than the total return of the S&P Steel Group Index and was 28 times greater than the S&P's total return. During his tenure, DiMicco and his team successfully executed a multi-prong growth strategy for the Company that included optimization of existing operations, growth through acquisitions, greenfield growth, international growth through joint ventures and expansion of control over raw materials.

. With DiMicco's leadership Nucor pursued acquisitions as a cost-effective alternative avenue for growth and successfully integrated the acquired companies into the Nucor culture. DiMicco's contributions and influence extend beyond Nucor to his efforts to restore America's manufacturing base and to his work in Washington.

In addition a panel of California manufacturers, business and labor leaders will candidly discuss an overview of California Manufacturing and the continuing unique challenges businesses owners are facing..

Panelists are

- Michele Nash-Hoff - Chair, Coalition for a Prosperous America, CA Chapter; and President, ElectroFab Sales
- Scott Martin – President, Lyon Technologies.
- James Hedgecock – President, Bounce Composites

SMAC is listed as a partner for this program.

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