

Made in California may take on new meaning

By Marc Lifsher, Los Angeles Times

SACRAMENTO – A “Made in USA” label has long been seen as an advantage in marketing a product.

Now there are in-state manufacturers that want to see the adoption of an official label that declares Made in California.

State Sen. Ellen M. Corbett, D-San Leandro, has introduced legislation to require Go-Biz, the governor’s business development office, to come up with a plan – including the new label – to promote California-manufactured products. The bill, now before the Senate Appropriations Committee, would enhance California’s reputation for making environmentally safe and energy efficient products, Corbett said.

Backers of the legislation include high-end electric-car maker Tesla Motors Inc., a group of San Francisco Bay Area green-tech firms and small-business advocates. But some business leaders see problems ahead for the Made in California concept. Deciding whether something is made in California could be tough considering how complex manufacturing can be today, warned Jock O’Connell, a Sacramento-based international trade expert with Beacon Economics. Look, for instance, at international supply chains, especially for high-tech products such as aircraft that use parts made on multiple continents.

“I really see a good intention here,” O’Connell said, “but it’s a piece of legislation that in practice is nearly impossible to implement.”

California cities increasingly are using tax money to woo companies or to keep them, but some lawmakers are urging

caution.

Amazon got a share of new sales taxes receipts collected by the cities of Patterson and San Bernardino when the giant Internet retailer agreed to put its distribution centers and new jobs there. In addition, the Bay Area city of Martinez agreed to share tax money with an industrial firm that threatened to leave town.

Last year, state Sen. Mark DeSaulnier, D-Concord, said he was contacted by the city manager of Martinez, who was concerned about such tax giveaways. The lawmaker recalls the manager pleaded, "We need you to save us from ourselves."

As a result, DeSaulnier – a former city councilman and county supervisor – has a bill requiring local governments to make an independent cost analysis before granting any tax subsidy of more than \$1 million to a proposed developer. "In today's global economy," he said, "it is imperative that our cities have the best possible data as they negotiate with large corporations."

The bill, SB673, won approval from the Senate Governance and Finance Committee last month. But it still faces formidable opposition from the League of California Cities, which blasted the bill for having "a clear anti-development bias."