

EXHIBIT

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UNITED STATES DISTRICT COURT FOR THE
WESTERN DISTRICT OF OKLAHOMA

CHAMBER OF COMMERCE OF THE UNITED
STATES OF AMERICA and the OKLAHOMA
STATE CHAMBER OF COMMERCE AND
ASSOCIATED INDUSTRIES, *et al.*,

Plaintiffs,

v.

BRAD HENRY, in his official capacity as Governor
of the State of Oklahoma, W.A. DREW
EDMONDSON, in his official capacity as Attorney
General of the State of Oklahoma, *et al.*,

Defendants.

No. _____

DECLARATION OF RICHARD RUSH

I, Richard Rush, do hereby state and declare the following:

1. I am over the age of 18 and am a citizen of the United States. The statements contained in this declaration are my own, and are based on my personal knowledge and information gained in the course of my business.
2. I am the President and CEO of the Oklahoma State Chamber of Commerce and Associated Industries, which does business as The State Chamber of Oklahoma. The State Chamber is the advocate for Oklahoma's businesses.
3. The State Chamber is the only organization in Oklahoma to represent all types of business and industry in all parts of our state—including construction contractors, homebuilders, restaurants, and hotels. We also represent schools, foundations, trade associations, local chambers of commerce and other nonprofit organizations that drive our economy. The State

Chamber, and its members, do not support illegal immigration or the employment of illegal immigrants.

4. The State Chamber has over 1,200 members in the State of Oklahoma, including large and small businesses. The State Chamber's members employ over 400,000 people in the State.

5. The State Chamber's purpose is to advocate for the interests of its members, including before government agencies, the legislature, and the courts.

6. Several of The State Chamber's members have contracts with state and local governments and other public entities in Oklahoma, and expect to enter into such contracts after July 1, 2008. Several of our members also employ individual independent contractors in the State.

7. Members of The State Chamber will be subject to, and harmed by, the Oklahoma Taxpayer and Citizen Protection Act of 2007.

8. Members of The State Chamber will be subject to, and harmed by, the provision of Oklahoma's Act that requires all businesses that have contracts with public entities in the State to sign up for and use the new "Status Verification System" (which is effectively limited to the federal government's voluntary and experimental "Basic Pilot Program") to verify the immigration status of their new employees, rather than continuing to use the Form I-9 process required by federal law.

9. Many of our members who have contracts with public entities do not participate in the Basic Pilot Program, and thus will be automatically debarred from contracts with all public entities, will have to forfeit contracts they have already won, and will be forbidden from bidding on future contracts.

10. Use of the Basic Pilot Program is strictly voluntary under federal law, and there are good reasons why our members may not want to use it, including the fact that it does not contain a complete or correct list of all legal workers, is prone to errors, and restricts the pool of legal workers from which our members can lawfully hire. These will harm our members and their ability to hire all legal workers. Our members will also incur costs associated with the transition to and continued use of the Basic Pilot Program.

11. Some of our members will incur expenses training their employees and reorienting their verification procedures to use the Basic Pilot Program and comply with the rules of the Program, instead of continuing to use the Form I-9 process they have been using for years. None of these expenses can be recovered from the State if the law is later held to be unconstitutional, as we are convinced it will be.

12. Our members will also be harmed because the Basic Pilot system does not return actual confirmation that an employee is illegal. Rather, our members will have to wait for weeks while a new employee that receives a tentative nonconfirmation from the system attempts to sort out any problems with the database, which employees are entitled to do under federal law. During this time, our members will incur substantial overhead expenses in training and orienting new employees, without knowing whether they are actually authorized to work. None of these expenses can be recovered.

13. Members of The State Chamber are also subject to, and harmed by, the provision of Oklahoma's law that requires them to verify the immigration status of individual independent contractors or either withhold a high rate of taxes from the contractors' compensation or pay a tax penalty in the same amount. The services of individual independent contractors are critical to our members' businesses.

14. Since our members are not supposed to verify the work authorization of independent contractors under federal law, they will be effectively required to suffer the adverse consequences of the tax and penalty provisions in Oklahoma's Act.

15. These provisions will cause our members harm. The requirement that they withhold a high rate of taxes from individual independent contractors' pay will make it more expensive for individual independent contractors to do business in the State of Oklahoma. This will increase the cost to our members of contracting with qualified individual independent contractors.

16. Specifically, our members will be required to either (1) pay individual independent contractors more money to offset the effects of Oklahoma's new withholding requirements, or (2) pay a tax penalty in the amount of the lost withholding. Both of these options—the only ones contemplated under Oklahoma's law—will cost many of our members significant sums of money, lead to fewer profits, make it more expensive for them to do business with individual independent contractors, and impede our members' ability to hire individual independent contractors. None of these costs can be recovered.

17. Members of The State Chamber will also be subject to, and harmed by, the provision of Oklahoma's law that creates a new cause of action for employment discrimination against employers that discharge a legal employee while retaining an employee they knew or should have known was illegal.

18. The State Chamber's members comply with federal law and do not knowingly hire illegal workers. But all of The State Chamber's members will be forced to incur significant expenses to avoid or overcome investigations or suits under this law based on unfounded accusations or allegations that they "should have known" an employee was illegal, and to avoid the monetary

and reputational damage that comes with being associated, even wrongly, with hiring illegal immigrants. None of these expenses can be recovered.

19. The State Chamber is well aware that serious harm to a business's reputation can result if it becomes associated, even wrongly, with hiring illegal immigrants. This significant risk of business and reputational injury, coupled with the fact they can be found liable even if they do not knowingly hire an illegal alien, will result in actual, imminent monetary harm to our members in the near term. It will require all our members to divert profits and adjust their business plans to account for the added risk associated with investigations and suits under this law.

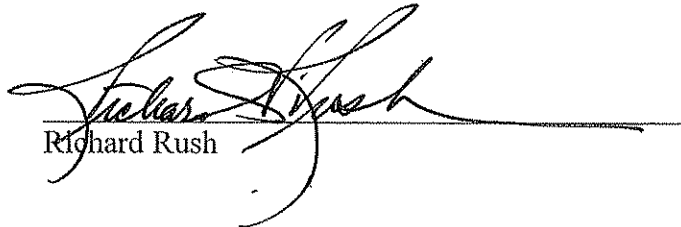
20. Our members will be forced, as part of a sound risk-management strategy, to set aside reserves or purchase additional litigation insurance to account for the possibility of investigations and suits under this law, even though they do not knowingly hire illegal aliens. They will also be required to account for the likelihood that they will be effectively required to settle baseless accusations to avoid the severe damage to their businesses and reputations that would be caused by being publicly linked, even wrongly, with illegal immigration. These expenditures will harm our members, and none of these expenses can be recovered.

21. The only "safe harbor" that would allow our members to avoid these harms and costs is itself fraught with harm. I understand that, under federal law, businesses can only be found liable for knowingly hiring an illegal alien, and there is a safe harbor for good-faith compliance with the federal Form I-9 requirements. Oklahoma's law contains neither of these provisions; instead, it allows employers to be found liable based solely on the allegation that they "should have known" they were employing illegal aliens, and forces businesses to adopt the new "Status Verification System" as the only safe harbor from liability.

22. Since businesses can be found liable under Oklahoma's law without knowing whether they employ an illegal alien, and faces serious harms from even unfounded allegations, they will be effectively forced to use the "Status Verification System" as a safe harbor to appropriately manage their risk without expending significant sums in risk-management reserves or litigation insurance. As I have explained, there are good reasons why The State Chamber's members should not be forced to use the flawed Status Verification System, and they will be harmed if they are required to do so.

23. The State Chamber's mission is to make Oklahoma the state of choice for business. Oklahoma's new law will make it harder to achieve that goal.

Executed on the 14th day of December, 2007.


Richard Rush