

VOLUME 43, NUMBER 5 · FEBRUARY 17, 2017

## Calchamber®

### CalChamber in Court

## Protecting Workers' Comp Independent Medical Review



Oral arguments have been set in a workers' compensation case that deals with the constitutionality of the independent medical reviews (IMR) that were part of the cost-saving

reforms of 2012.

The oral arguments in the case of *Ramirez v. Workers' Compensation Appeals Board* (WCAB), *et al.*, will be presented on March 20 in the Third Appellate District Court.

The California Chamber of Commerce filed a friend-of-the-court brief, arguing that the Legislature must be allowed to exercise its constitutionally granted powers to address the everincreasing burdens on California's workers' compensation system by ensuring that medical necessity decisions are consistent, and made by medical professionals. The brief was prepared for the CalChamber by Ted Penny of Haight Brown & Bonesteel.

The CalChamber brief argues that as part of the difficult responsibility of designing and promulgating the state workers' compensation system, the California Legislature must balance the medical needs of injured employees against the ever-increasing costs imposed on the system and on the employers responsible for ensuring that injured employees are provided with necessary medical treatment.

The Legislature designed the IMR process to increase efficiency for treatment disputes and to ensure physicians, not judges, make medical decisions.

The petitioner in this case argues the opposite, that instead, a judge must determine whether treatment is medically necessary, and that the IMR process denies the petitioner his right of due process.

See Protecting Workers' Comp: Page 4

CalChamber. Save the Date: CAPITOL SUMMIT MAY 31, 2017

### Immigration Survey Coming to Member Email Boxes



In 2010, the California Chamber of Commerce conducted a survey to gather

members' views on immigration reform. To gain an updated picture of the views of membership, the CalChamber is launching a new online immigration survey of members this week.

As before, the questions aim to pinpoint members' views on matters such as worker availability, verification of eligibility for employment, border security, a guest worker program and criteria for an earned pathway to legal status for undocumented residents.

The survey responses will help guide the CalChamber in its continuing support of the comprehensive immigration reform that is crucial to the state's economic future.

California is home to nearly 3 million residents who are undocumented immigrants (compared to an estimated 11 million nationwide). The undocumented immigrants are working and contributing to society. Many economic sectors in California including technology, agriculture and tourism—are very dependent on immigrant labor.

To learn more about the CalChamber position on immigration reform, visit *www.calchamber.com/immigration*.

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Guest Commentary on Regulatory Reform: Page 3



### <u>Cal/OSHA Corner</u> New Rule Targets Workplace Violence Prevention in Health Care



Mel Davis Cal/OSHA Adviser

The Division of Occupational Safety and Health (Cal/OSHA) has developed a regulation addressing workplace violence protection in health care. I am the HR director for an acute care facility. How will the new regulation for workplace violence in health care affect my facility?

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Email: alert@calchamber.com. Home page: www.calchamber.com. Assuming your facility meets the definitions outlined in the regulation (Title 8, Section 3342), beginning April 1, 2017, you will need to keep a "violent incident log" listing all incidents, post-incident response and investigation of a workplace violence injury, based on information from the employees who experienced the workplace violence.

Also beginning April 1, you must keep records including workplace hazard identification, evaluation and correction. Reporting requirements for general acute care hospitals, acute psychiatric hospitals and special hospitals also go into effect on April 1.

### **Prevention Plan**

By April 1, 2018, you must have established a workplace violence prevention plan. Section 3342 (c) of the new regulation is a step-by-step directive of how the plan is to be established, implemented and maintained to ensure it is effective. The workplace violence prevention plan is to be part of the employer's Injury and Illness Prevention Program (IIPP). The regulation includes procedures to ensure employees and their representatives participate in developing, implementing and reviewing the plan. The involvement includes their participation in identifying, evaluating and correcting workplace violence hazards, designing and implementing training, and reporting and investigating workplace violence incidents.

The regulation contains nearly 50 separate instructions the employer is to consider, from employees working in isolated locations, to how to contact and obtain assistance from an appropriate law enforcement agency, assessment procedures, communication, poor illumination, maintaining sufficient staffing, procedures to identify and evaluate patient-specific risk factors and assess visitors or other persons who are not employees, as well as procedures for debriefing, escape routes, and physical barriers, to mention a few.

Because of the number and specificity of the requirements in Section 3342 (c), be sure to review them extensively and initi-*See New Rule: Page 7* 

### CalChamber-Sponsored Seminars/Trade Shows

#### More at *www.calchamber.com/events*. *Labor Law*

- HR Boot Camp. CalChamber. March 1, Burlingame; March 23, Pasadena; May 11, Sacramento; May 25, San Diego; June 6, Santa Clara; August 24, Thousand Oaks; September 6, Beverly Hills. (800) 331-8877.
- Keeping Criminal Background Checks in Check. CalChamber. March 16, Live Webinar. (800) 331-8877.
- The Top Five Labor and Employment Laws Perplexing Small Businesses. CalChamber. March 30, Live Webinar. (800) 331-8877.
- Leaves of Absence. CalChamber. April 6, Sacramento; April 25, Oakland; June 22, Huntington Beach. (800) 331-8877.
- Are Drug-Free Workplaces in California Up in Smoke? CalChamber. April 20, Live Webinar. (800) 331-8877.
- Preventing Discrimination in the Workplace. CalChamber. May 18, Live Webinar. (800) 331-8877.
- Nothing Ordinary About Local Ordinances in California. CalChamber. June 15,

Live Webinar. (800) 331-8877. Leaves of Absence: Making Sense of It All. CalChamber. August 18, Sacra-

- mento. (800) 331-8877.
- Meal and Rest Break Rules. CalChamber. September 21, Webinar. (800) 331-8877.

### **Business Resources**

Rapid Recovery Seminar Series. Jumpstart Business Recovery. February 22, Culver City; February 23, Long Beach.

#### International Trade

- Import Compliance Training. Orange County Center for International Trade Development (CITD). February 27, Santa Ana. (714) 564-5415.
- 2017 Global Responsible Sourcing Summit. UL Consumer and Retail Services. March 1–2, West Hollywood. See CalChamber-Sponsored: Page 4

Next Alert: March 3





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## Improving a Good Thing: Legislature Can Make Regulatory Reform Even Better



Loren Kaye

administrative regulations.

Authored by Senator Ron Calderon (D-Montebello), but written and shepherded by then-Senate staffer and now Assemblyman Ken Cooley (D-Rancho Cordova), **the measure required** agencies to analyze regulatory alternatives more diligently, provide more extensive economic analysis of major regulations, and require the Department of Finance to provide guidance to agencies on how to best assess cost-effectiveness of regulations and give the Department limited oversight of agency regulatory analysis.

### Legislative Analyst's Findings

Since the administrative process was implemented in late 2013, agencies have taken a deep dive on 22 major regulations. The Legislative Analyst recently reviewed agency compliance with the legislative mandates and made some useful findings and recommendations.

• Agencies often do not adequately analyze regulatory alternatives. At the heart of high-quality rulemaking is careful and good faith review of regulatory alternatives. At best, this process will result in the least costly and burdensome approach to implementing the goal set forth by the Legislature. From a robust give-and-take among regulators, industry and experts can emerge sensible and minimally invasive proposals. Unfortunately, some agencies chose to analyze a narrow and unhelpful range of alternatives. Others ignored categories of alternatives that would have achieved the same legislative goals at lesser costs.

### Guest Commentary By Loren Kaye

• Agencies also ignored or underutilized basic analytical tools designed to reveal weaknesses in a proposed regulation. An agency did not discount future savings from a regulation, thereby putting its thumb on the cost-benefit scales. The Analyst found that agencies rarely discussed ranges of uncertainty in their analyses. Distributional analyses—how a regulation may affect some societal, income or geographic sectors differently—were often lacking.

• The Analyst noted that the Department of Finance was granted only limited authority to review agency analyses, and no authority to reject inadequate analysis.

### Legislative Analyst's Recommendations

The Analyst made several recommendations that mirror proposals many regulatory reformers, including the Little Hoover Commission, have made in the past: • Establish a more robust system for regulatory guidance and oversight, including higher standards for analyzing alternatives, discounting future costs and benefits, revealing uncertainty, and describing distributional costs and benefits.

• Authorize an oversight agency (either the Department of Finance or an independent commission) to reject proposed regulations that do not have an adequate analysis or that demonstrate cost-effectiveness.

• Require agencies to conduct retrospective reviews to understand whether the regulation is achieving the goals set forth by the Legislature.

• Significantly, the Analyst specifically called for additional resources to achieve these objectives.

### Improving Rulemaking

When it comes to adding or removing costs to doing business in California, the Legislature is the central player. No amount of regulatory reform can overcome a bad bill. But agencies often have a choice on how to implement the will of the Legislature, which is where thoughtful analysis and oversight come into play.

Here is a rare chance for the Legislature to improve administrative processes to advance a more competitive business climate—without upsetting other constituencies. The Analyst has clearly and carefully provided a roadmap to improve administrative rulemaking.

Loren Kaye is president of the California Foundation for Commerce and Education, a nonprofit think tank affiliated with the California Chamber of Commerce.

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### Protecting Workers' Comp Independent Medical Review

#### From Page 1

### **Does Not Violate Due Process**

The CalChamber brief points out that the petitioner's dissatisfaction with the Legislature's exercise of its constitutionally granted power, set forth in Section 4 of Article XIV of the California Constitution, falls short of showing that he is deprived of due process.

The first step in an IMR begins when an employee's treating physician makes a treatment recommendation. The recommendation is submitted to the employer's utilization review process for a determination of whether to approve, modify, delay, or deny the recommended treatment. A medical director designated by the employer or insurer reviews all information that is "reasonably necessary" to make the determination. The medical director's decision shall be consistent with the medical treatment utilization schedules adopted pursuant to Labor Code Section 5307.27 (f)(2). Therefore, the IMR process does not come into play until the utilization review makes a factual determination about whether the recommended treatment is medically appropriate.

This process means IMR is itself an appeal, the brief points out. IMR constitutes a second level of fact-finding and medical record review to answer the limited question of whether a particular course of treatment is medically appropriate. The IMR physician therefore resolves the dispute between the employer's utilization review and the employee's treating physician.

### **Other Arguments Refuted**

The petitioner also argued that the workers' compensation law as outlined in Labor Code Section 4610.6 deprived him of substantial justice and violated the separation of powers clause of the California Constitution.

The CalChamber brief refuted both arguments, pointing out that the workers' compensation law is aimed toward achieving substantial justice expeditiously, inexpensively, and without encumbrance.

Although the Legislature may have previously provided for a different method and manner of reviewing medical decisions, this fact does not deem that method to be the only one that is constitutionally acceptable. Section 4 unambiguously provides the Legislature with the power to fix, control, and undoubtedly, to limit the manner of review of decisions rendered by the tribunal or tribunals designated by it, the CalChamber explains in the brief.

The CalChamber continues that such a policy decision was the Legislature's to

make in light of the demands on California's workers' compensation system, and in an effort to avoid the encumbrance of time-consuming procedures that lead to potentially unfair, inconsistent, and nonscientifically based medical decisions.

Although the petitioner and, admittedly, the WCAB, may disagree with the effect that Section 4610.6 has on the WCAB's power to change conclusions related to medical necessity, such was the effect expressly intended by the Legislature in enacting that section. The Legislature sought to put all such decisions on what is necessary medical treatment in the hands of medical professionals "to ensure that treatment decisions are consistent and based on the highest standards of evidence-based medicine," the brief states.

In arguing that the workers' compensation law violates the separation of powers clause, the petition wrongly assumed that the law precludes any judicial review of an IMR decision. In fact, the law provides five ways in which an applicant may appeal an IMR decision, the CalChamber brief explains.

#### Next Step

The court has 90 days to issue its ruling following the March 20 oral arguments.

**Staff Contact: Heather Wallace** 

### CalChamber-Sponsored Seminars/Trade Shows

#### From Page 2

- Pacific Alliance Trade Forum. Port of Los Angeles. March 2, Los Angeles. (310) 732-7765.
- Certified Global Business Professional Boot Camp. Orange County CITD. March 10–11, Santa Ana. (714) 564-5415.
- SelectUSA 2017 China Road Show. SelectUSA. March 13–23, Changchun, Jianan, Zhengzhou, Kunming, Xiamen and Nanjing, China.
- California Policy Mission to Australia. Northern California-Sacramento Regional CITD. March 19–25. (916) 563-3200.
- Connect to Thrive Global Summit. Bay Area Regional CITD. March 23–24, San Bruno. (650) 738-7117.
- Connect to Thrive-Impact of Digital

Data and Commerce Across the Global Supply Chain. Bay Area Regional CITD. March 23–24, San Bruno. (650) 738-7117.

- Asia Pacific Business Outlook Conference 2017. University of Southern California Marshall School of Business. March 27–28, Los Angeles. (213) 740-7130.
- Trade Connect Introductory Workshop. Port of Los Angeles. April 5, Garden Grove. (310) 732-7765.
- Export Compliance Training Program. Orange County CITD. April 17–May 22, Santa Ana. (714) 564-5415.
- NAFTA's Economic Progress 2017. Port of Los Angeles. April 28, Camarillo. (310) 732-7765.
- World Trade Week Kickoff Celebration Breakfast. Los Angeles Area Chamber.

May 4, Los Angeles. (213) 580-7569. NAFSA Annual Conference and Exhibition. NAFSA: Association of International Educators. May 28–June 2, Los Angeles. (202) 737-3699.

SelectUSA Investment Summit 2017. SelectUSA. June 18–20, Washington, D.C. (202) 482-6800.

### CalChamber Calendar

Water Committee: March 2, Half Moon Bay Fundraising Committee: March 2, Half Moon Bay Board of Directors: March 2–3, Half Moon Bay Capitol Summit: May 31, Sacramento



## CalChamber, U.S. Chamber Urge Court to Review Wage Statement Questions



The California Chamber of Commerce has joined the U.S. Chamber of Commerce in urging the Fourth Appellate District Court to review a case involving wage statements.

The joint friend-of-the-court brief asks the appeals court to provide California employers with certainty and clarity about how advance commission payments must be listed on a wage statement.

### **Advance Commission Payments**

Many employers in California utilize a commission advance and chargeback program like the one at issue in the case, Macy's West Stores, Inc., dba Macy's, and Macy's, Inc. v. Superior Court of California for the County of San Bernardino.

Macy's advances commission payments to its employees, subject to chargeback if the item on which the commission is paid is returned within a certain period. And like many employers in California, Macy's agrees to charge back such advances only in the form of an offset against future advanced commission payments, the brief states.

The superior court held that Macy's violated Section 226 of the California Labor Code by issuing wage statements that reported these advanced commission payments at the time they were paid, without making further note of them on subsequent wage statements after the relevant chargeback period expired (meaning after they were earned).

### Wage Statement Questions

The California and U.S. chambers

respectfully urged the Fourth Appellate District Court to grant the review and clarify two questions that will have significant impact on businesses throughout California:

• When an employer agrees to charge back advanced commissions only through an offset against future advanced commission payments, does the employer properly issue a wage statement reporting the commissions at the time of payment, without notation on future wage statements when the commissions are earned; and

• Does the Private Attorneys General Act (PAGA) still afford a private right of action for alleged violations of California Labor Code Section 226(a)(6)—which requires itemized wage statements to show "the inclusive dates of the period for which the employee is paid"—in light of legislative amendments in 2015 that effectively removed this statutory provision from PAGA's scope?

In the brief, the chambers argue that with respect to the laws governing paying employees advance commissions, California courts have long recognized the permissibility of programs such as the one at issue in the Macy's case. Employers' use of such payment plans benefits employees, as it pays them sums above their hourly wages, the brief comments.

Many of the chambers' members, as well as the businesses whose interests the chambers represent, use the reporting practice at issue here: They report the payment of advance commissions at the time the dollars are paid to employees, without additional notation at the time those dollars are considered earned. The superior court's ruling raises concerns about the legality of this widespread practice and creates significant uncertainty for California employers.

The consequences of potential liabil-

ity for violating Section 226 and the possibility of penalties under PAGA are severe, and businesses in California therefore take their compliance with reporting requirements seriously. Absent the appellate court's review, employers throughout California will need to take action to review their commission reporting practices, and (given the superior court's one-paragraph order) will do so without any real guidance, the brief states.

### Lower Court Ruling Created Uncertainty

The uncertainty created by the superior court's order will impose significant costs on California employers and will be of no benefit to California employees, the brief comments. The purpose of Labor Code Section 226 is "to assist the employee in determining whether he or she has been compensated properly."

Macy's current reporting method achieves precisely this purpose: Macy's wage statements inform employees of their commission payments as they are actually received. Under the superior court's order, however, employers would have to report commission payments long after employees' *receipt* of those payments, which would serve only to confuse the very individuals wage statements are meant to benefit.

The issues presented by Macy's are ones of first impression and are extremely important to California employers, the brief states. The issues will ultimately need to be decided by the appellate courts, and the uncertainty created by the superior court's ruling and the costs to employers and employees in California warrant the Fourth Appellate District Court's immediate review. **Staff Contact: Heather Wallace** 

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## California Exports End 2016 on High Note



California's merchandise export trade concluded 2016 with an exceptionally strong showing in

December, posting a nominal 9.3% gain over the same month in 2015, according to a Beacon Economics trade report released on February 7.

### **Exports Figures**

According to Beacon's analysis of U.S. trade statistics by the U.S. Census Bureau, foreign shipments by California businesses totaled \$14.04 billion for the month, a robust increase over the \$12.85 billion recorded in December 2015. For the year, the state's exports totaled \$163.62 billion compared to \$165.37 billion recorded one year earlier.

The report finds that the state's exports of manufactured goods in December increased by 8.6% to \$9.05 billion from

\$8.33 billion one year earlier. Exports of nonmanufactured goods (chiefly agricultural products and raw materials) jumped 14.1%, to \$1.70 billion from \$1.49 billion. Re-exports, meanwhile, rose 9.3% to \$3.29 billion from \$3.01 billion.

For the year as a whole, the state's manufactured export trade amounted to \$103.41 billion, 2.9% shy of the previous year's \$106.50 billion. Nonmanufactured shipments totaled \$19.79 billion, off 1.0% from \$19.99 billion one year prior. Re-exports hit \$40.42 billion, exceeding last year's total of \$38.88 billion by a 4.0% margin.

The state's exports of manufactured goods in November increased by 10.0% to \$8.91 billion from \$8.10 billion one year earlier. Exports of nonmanufactured goods (chiefly agricultural products and raw materials) jumped 19.2%, to \$2.11 billion from \$1.77 billion. Re-exports, meanwhile, rose 13.8% to \$3.39 billion from \$2.98 billion.

By way of comparison, the nominal value of overall U.S. merchandise exports in December rose 5.6%, while exports from Texas edged up 2.4% over last December.

### A Closer Look at the Numbers

As always, Beacon Economics cautions against reading too much into month-to-month fluctuations in state export statistics, especially when focusing on specific commodities or destinations. Significant variations can occur as the result of unusual developments or exceptional one-off trades and may not be indicative of underlying trends.



For that reason, Beacon Economics compares the latest three months for which data are available (i.e., October– December) with the corresponding period one year earlier. That analysis shows that California's merchandise exports totaled \$43.66 billion, a \$3.31 billion, or 8.2%, increase over the same period last year.

The strong year-over-year growth in the fourth quarter of 2016 was due to broad-based gains across the state's top commodities, as well as a rebound in oil prices that had been a drag on growth earlier in the year.

The largest gains were seen in miscellaneous manufactured commodities, which totaled \$3.5 billion in the fourth quarter, a 20.9% increase over the fourth quarter of 2015. This category is made up of a broad range of items and materials, one of them being jewelry, which was a major contributor to growth. Exports of precious metals, stones, and pearls totaled \$1.62 billion, a 52.3% increase over the same time one year prior. The bulk of this increase was due to a real increase in volume and not just a change in prices. The average export price for precious metals, stones, and pearls increased by only 3.9% over the same period.

Transportation equipment exports, namely motor vehicles, also were a strong contributor to export growth. During the fourth quarter of 2016, transportation equipment exports totaled \$5.4 billion, a \$555.6 million, or 11.4%, increase over the same time one year

prior. Of this total, exports of motor vehicles increased by \$400.2 million.

Exports of petroleum products were still a slight drag on export growth, but substantially less than in the first half of the year. Exports for this category totaled \$825 million in the fourth quarter, down just 0.1% from the same time one year prior. This small decline was due to lower volumes of exports as average export prices rose by 7.7% over the time period. With crude oil in large supply globally, the volume of petroleum product exports is not expected

to increase in the short term.

On a regional basis, exports to China made up the bulk of the increase in the value of exports in the fourth quarter. Exports to the mainland and Hong Kong together made up \$6.9 billion, a 27.0% increase over the fourth quarter of 2015. Exports to Mexico, the No. 1 destination for the state's exports by dollar value in 2016, as well as to Canada, the No. 2 destination, were both down over this period. The value of exports to Mexico and Canada decreased by 3.3% and 1.4%, respectively.

### **Trade Outlook**

Beacon experts explain that President Donald Trump has questioned the benefits to the United States of the current global trading system and the rules that govern how business is to be done among nations. Upon taking office, the President promptly squashed any remaining hope that the Trans-Pacific Partnership (TPP) might be approved, although it should be noted that the accord was not expected to win approval in Congress, regardless of who assumed *See California Exports: Page 7* 



### CalChamber to Co-Host North America Trade Policy Luncheon



The future of trade policy in North America will be the focus of a noon luncheon and discussion co-hosted by the California Chamber of Commerce on Wednesday, March 8.

The Canadian and Mexico Consulates

General are presenting the luncheon with the CalChamber.

CalChamber President and CEO Allan Zaremberg were serve as moderator of the gathering. Speakers will include: Brandon A. Lee, consul general of Canada; Pedro Noyola, Ph.D., former undersecretary of trade and foreign investment and undersecretary of finance of Mexico, and representative of Mexico in various trade negotiations; and Andrew Grant, president and CEO, Northern California World Trade Center.

Trilateral trade within North America is one of the largest economic relationships in the world with more than \$1 trillion in goods traded annually. In California alone, more than 1.6 million jobs depend on trade with Canada and Mexico, and more than \$100 billion in goods and services are traded between the two countries and California each year.

The CalChamber actively supported the creation of the North American Free Trade Agreement (NAFTA) among the United States, Canada and Mexico. Cal-Chamber support for NAFTA is based on an assessment that it serves the employment, trading and environmental interests of California, the United States, Canada and Mexico, and is beneficial to the business community and society as a whole.

RSVPs are due by March 3 to *intlevents@calchamber.com*. For more information, see the CalChamber calendar of events.

### New Rule Targets Workplace Violence Prevention in Health Care

#### From Page 2

ate them where required to ensure compliance for all work sites and operations.

### **Employee Training**

The requirements for employee training, also to be implemented by April 1, 2018, are covered in Section 3342 (f). This training is to be done when the plan is first established and for new hires or when assigned to another position that did not require initial training.

Also, the employer is to have an effective procedure for obtaining the

active involvement of employees and their representatives in developing curricula and training materials, participating in training sessions, and reviewing and revising the training program.

The regulation specifies eight components the training must cover, including an explanation of the workplace violence prevention plan; how to recognize the potential for violence; factors contributing to the escalation of violence; strategies to avoid physical harm; and how to recognize alerts or other warnings about emergencies.

### **Complete Regulation**

For more information, see the complete text for Section 3342 at https:// www.dir.ca.gov/oshsb/documents/ Workplace-Violence-Prevention-in-Health-Care-apprdtxt.pdf.

The Labor Law Helpline is a service to California Chamber of Commerce preferred and executive members. For expert explanations of labor laws and Cal/OSHA regulations, not legal counsel for specific situations, call (800) 348-2262 or submit your question at www.hrcalifornia.com.

### California Exports End 2016 on High Note

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the presidency on January 20. Implementation of the TPP would have provided benefits for a wide range of California industries from farms to pharma.

"President Trump has since taken aim at the North American Free Trade Agreement (NAFTA), and Mexico in particular, although there are signs that presidential bravado may be giving way to more measured deliberations as the new administration gradually discovers the realworld constraints of policymaking," Beacon experts said.

"Both the U.S. and Mexico now seem prepared to reappraise an agreement that was drafted nearly a quarter century ago when negotiators could not have possibly comprehended the changes that have since occurred in supply chains, industrial processes, and product lines. With Mexico as its leading export market, the consequences for California are not at all clear," said Beacon experts.

The Beacon report concludes: "Relations with China are also of great concern. China is California's third largest export market and, by far, the largest driver of trade through the state's seaports. Anything that would diminish the flow of trade through California's ports would have a serious economic impact, not just on the ports themselves and their customers, but also on the legions of workers who process the movement of goods transiting those ports. "While President Trump has appointed anti-China hardliners to lead the charge on trade, it remains to be seen how his policy actions will match up to his campaign rhetoric. Regardless of whether the Trump administration succeeds or fails in its policy efforts, it has contributed to heightened levels of uncertainty in the economy, which is good for neither businesses nor consumers in California and the United States."

### **Trade Report**

To read the Beacon Economics full trade report, visit *beaconecon.com/ products/trade\_report*.



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