Former CalChamber Chair Takes Over as Comptroller of the Currency

Joseph M. Otting, 2015 chair of the California Chamber of Commerce Board of Directors, was sworn in this week as the U.S. Comptroller of the Currency. Before his federal appointment, Otting had more than two decades of experience in the banking industry, most recently as president and CEO of OneWest Bank, N.A., the post he held while chair of the CalChamber Board.

The Office of the Comptroller of the Currency (OCC) charters, regulates, and supervises all national banks and federal savings associations as well as federal branches and agencies of foreign banks. The OCC is an independent bureau of the U.S. Department of the Treasury.

In a statement issued upon becoming the 31st Comptroller, Otting praised the 4,000 staff members who work in the OCC, adding, “Over the next five years, I will be proud to lead the dedicated personnel of the OCC and will work with fellow regulators to ensure our country has the most effective and respected banking system in the world.…. “In my experience, bankers support regulation, but effective regulation evolves with the changing needs of the

Proposed EDD Rules Create New Grounds for Litigation

The California Chamber of Commerce and other employer groups are opposing proposed regulations mandating employers respond with job titles and wage information to what is now a voluntary survey because the response could create new grounds for litigation.

The Employment Development Department (EDD) sought comments on the proposed mandatory participation in the Occupational Employment Statistics (OES) Program survey.

Occupational Employment Statistics Program

EDD gathers the occupational workforce data from employers for the OES Program survey as part of a federal-state cooperative agreement between the federal Bureau of Labor Statistics (BLS) and EDD. The data collection process begins with the federal BLS designating employers to be surveyed by EDD. Employers are notified and encouraged to complete the surveys over the designated time period.

CalChamber Capitol News Report Explains Three Significant New Employment Laws

CalChamber Executive Vice President and General Counsel Erika Frank explains three important new employment laws for 2018 in the latest CalChamber Capitol News Report video at www.calchamber.com/videos.

See story on Page 4.
Cal/OSHA Corner

Construction Industry, Concrete Makers Subject to New Silica Dust Rules

The federal Occupational Safety and Health Administration (OSHA) promulgated regulations limiting worker exposure levels to respirable crystalline silica to 50 micrograms per cubic meter of air for an eight-hour shift and providing other safeguards to protect workers. How are the federal amendments going to affect California’s construction industry and fixed location manufacturers of concrete products?

On March 25, 2016, federal OSHA published a final rule written as two standards, one for construction and the other for general industry and maritime. The regulations lower the permissible exposure limit (PEL) for crystalline silica to 50 micrograms per cubic meter of air, averaged over an eight-hour shift.

The Construction Safety Orders (CSO) has a new Section 1532.3 and the General Industry Safety Orders (GISO) has a new Section 5204 and revised Section 5155.

The Cal/OSHA Standards Board adopted the federal regulation and submitted the regulation with modifications to fit California’s regulatory format to the Office of Administrative Law. The state regulation was approved on October 17, 2017 and is now effective for the construction industry. The GISO regulations become fully effective on June 23, 2018.

Common Requirements

Common requirements for both construction and industry are:

• Establish and implement a written exposure control plan (WECP) that identifies hazards and methods used to protect workers. Include procedures restricting access to work areas where high exposures may occur.

• Designate a competent person to implement the WECP.

• Restrict housekeeping practices that expose workers to silica where feasible alternatives are available.

• Provide respirators to workers when dust controls cannot limit exposures above the PEL.

• Offer medical exams, including X-rays and lung function tests, every three years for workers who are required by the regulation to wear a respirator for 30 days or more per year.

• Train workers on work operations that result in silica exposure and ways to limit exposure.

• Keep records of exposure measurements, objective data, and medical exams.

Appendices

Each of the regulations contains identical appendices:

• Appendix A is mandatory and provides methods of sample analysis to employers in accordance with the new regulation.

• Appendix B is nonmandatory and provides medical surveillance guidelines to employers.

Because construction results in an ever-changing environment, a table has been developed for common respirable crystalline silica-producing activities. The table is divided into exposures of less than 4 hours and for exposures of more than 4 hours.

The dust-mitigating process is included.
State-Run Retirement Program: CalChamber Urges Businesses to Participate in Workshops on Draft Regulations for Secure Choice

The California Chamber of Commerce is urging businesses to participate in the upcoming workshops to discuss draft regulations for the new state-run retirement savings program, Secure Choice.

Workshops are scheduled for December 5 at the State Personnel Board, located at 801 Capitol Mall, Room 150 in Sacramento, and December 7 at the Ronald Reagan State Building, Auditorium, 300 South Spring Street in Los Angeles from 10 a.m.–noon.

Individuals who cannot attend the hearings in person may provide comments by phone at (888) 278-0296, participant code: 6531748.

**State-Run Plan**

Signed by Governor Edmund G. Brown Jr. in 2016, SB 1234 (de León; D-Los Angeles; Chapter 734) and SB 923 (de León; D-Los Angeles; Chapter 737) in 2012, creates a framework for the California Secure Choice Retirement Savings Investment Program.

The program is a state-run retirement savings plan for private employees that includes automatic enrollment with an opt-out provision for an estimated 6.3 million California workers whose employers do not currently offer an eligible retirement savings program.

Private employers with five or more employees will be required to automatically enroll their employees into and make payroll deductions for their Secure Choice retirement accounts, unless the employee opts out.

Employers that do not offer a retirement plan or do not auto-enroll their employees into Secure Choice would be subject to a penalty; otherwise the program is intended to impose no risk or liability to the employer or to the state. It is intended that employers’ responsibility is simply as a pass-through, to deduct and submit contributions from employee wages.

The program will be funded by an automatic 3% to 5% payroll deduction; specific default contribution will be determined by the Secure Choice Investment Board. There is no contribution made by the employer into the retirement account.

**2019 Implementation**

According to the State Treasurer’s Office, late 2019 is likely to be the earliest that large employers which do not offer a retirement plan to their employees will be required to provide access to Secure Choice. The requirement will be phased in over a three-year period. Any information to the contrary is wrong.

Please contact the Treasurer’s Office if you are told something different so the office can correct the source by emailing securechoice@sto.ca.gov.

CalChamber will continue to actively engage in rulemaking, closely monitor the activities of the Secure Choice Investment Board, and provide input as appropriate regarding program design and employer risk.

**Staff Contact:** Marti Fisher

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Construction Industry, Concrete Makers Subject to New Silica Dust Rules

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with each process and tool. Mitigation may be equipment with a dust collector, integrated water delivery system, a combination of devices, or the employee will be required to wear a respirator.

Because the processes in general industry can be limited or contained in specific areas, the general industry regulation is directed more toward proving silica exposures are occurring below certain levels; therefore, the emphasis is on testing/sampling. The action level is 25 micrograms per cubic meter of air averaged over an eight-hour day.

**Regulation Text**

The full text of the regulations can be found on the Occupational Safety and Health Standards Board website, www.dir.ca.gov/oshb/oshb.html, under approved standards. Also, OSHA.gov, federal OSHA’s website, has material to assist employers in complying with the regulation.

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CalChamber-Sponsored Seminars/Trade Shows

More at www.calchamber.com/events.

**Labor Law**

HR Boot Camp. CalChamber. December 6, San Francisco, SOLD OUT; February 13, 2018, Modesto; February 28, San Diego; April 11, Oakland; April 26, Costa Mesa; June 5, Santa Clara; August 21, Sacramento; September 5, Long Beach. (800) 331-8877.


Leaves of Absence: Making Sense of It All.

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**International Trade**


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CalChamber Capitol News Explains Three New Employment Laws

This week, the California Chamber of Commerce Capitol News Report highlighted three important new laws that employers need to be aware of in 2018: parental leave for small employers, restrictions on salary history questions, and the ban-the-box-law.

In the video at www.calchamber.com/videos, CalChamber Executive Vice President and General Counsel Erika Frank recaps the significant changes employers will see in their hiring and leave practices in 2018.

Parental Leave for Small Employers

An important new law requires that small employers provide new parents with up to 12 workweeks of unpaid leave.

SB 63, the New Parent Leave Act, requires small businesses with 20 or more employees to provide eligible employees up to 12 weeks of unpaid, job-protected leave to bond with a new child. The leave must be taken within one year of the child’s birth, adoption, or foster care placement.

“Employers need to note that under the law they must guarantee the right to reinstate to the same or comparable position before the leave begins,” Frank says.

The New Parent Leave Act will have the greatest impact on employers with 20 to 49 employees who are not currently required to provide baby bonding leave under the federal Family and Medical Leave Act or the California Family Rights Act.

No More Salary History Questions

Another new 2018 law, AB 168, restricts the types of salary questions employers can ask job applicants.

Frank explains: “Under this law, an employer is forbidden from asking about the prior salary of an applicant. The new law also prohibits an employer from asking a recruiter to find out about the salary of an applicant.”

In addition, employers cannot rely on salary history information as a factor in determining whether to hire the applicant or how much to pay the applicant.

Ban the Box

AB 1008 is what’s commonly called the “ban-the-box” law.

“The law effectively eliminates the employer’s ability to do a criminal background check before a conditional offer is made to an applicant,” Frank explains.

AB 1008 applies to employers with five or more employees. The law does provide steps for an employer to follow after making a conditional offer, should the employer still want to know about prior convictions.

Full List of New Laws

An Overview of New 2018 Laws Affecting California Employers is now available for nonmembers to download. CalChamber members can download the white paper by logging onto HRCalifornia. Also available to CalChamber members on HRCalifornia is a full discussion of the new laws.

Proposed EDD Rules Create New Grounds for Litigation

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EDD collects the data and provides it to BLS. The survey documents can be time-consuming for employers to complete as they are required to match their own job titles to the standard job titles listed by BLS (Standard Occupational Classification system), as well as provide a brief description of the duties for each job title.

Not all employers have the resources to devote to such administrative duties. California regulations currently impose many administrative burdens on employers; this new mandate will serve only to further undermine the business climate in California, CalChamber states in its letter to EDD.

Business Concerns

The coalition is concerned that detailing and sharing this information could create new fertile grounds for litigation. Savvy attorneys looking for problems could investigate the publicly available information, using it to threaten and harass employers regarding their workforce, their pay, and any other perceived inequities. Furthermore, employers may wish to protect their staffing details as trade secrets in how they manage their business.

Although the proposal mandates that the agency hold the identity of the reporting employer in strict confidence, there is no explicit protection from requests for this information under the Public Records Act. Making this information public could put the reporting employers at a competitive disadvantage and circumvent the discovery process in litigation.

EDD has not addressed the reasons that employers are reluctant to respond to the survey. EDD’s Initial Statement of Reasons does not indicate that it has explored employer concerns and the reasons behind the low response rate. Identifying the reasons for the lack of responses and developing solutions to employer issues and concerns would foster greater cooperation than the proposed mandate to comply.

The coalition is urging EDD to explore alternatives to enhance voluntary participation with its federal partners at BLS, as well as to determine why employers’ response rate is below expectations, and address those reasons as alternate methods of enhancing data collection.

Next Steps

No public hearing is set at this time. The public comment period closed on November 20.

The exact next steps are unclear. In accordance with the Administrative Procedures Act, the agency may revise the proposed regulations and open another comment period, withdraw the regulations or adopt them as is. Once a regulation is adopted, the agency must provide a response to all public comments in the final statement of reasons which is made public following the adoption of the rule.

CalChamber will keep readers informed on the action EDD takes.

Staff Contact: Marti Fisher
Swift Action Needed in Prop. 65 Case to Avert Disruption in Multiple Sectors

The California Chamber of Commerce is urging the Fifth District Court of Appeal to expedite its decision and reverse the erroneous listing of a commonly used chemical on the Proposition 65 list of cancer-causing substances.

In a friend-of-the-court brief, the CalChamber and Civil Justice Association of California argue that if the court fails to rule before the erroneous listing of the chemical glyphosate goes into effect on July 7, 2018, the results will be disruptive and costly.

The fallout may include “a flood of meritless Proposition 65 claims” and “California consumers receiving cancer warnings that are simply untrue.”

Glyphosate is the active ingredient in Roundup® weed and grass herbicide products. Glyphosate’s listing under Proposition 65 not only impacts the manufacturer of the chemical, but also manufacturers and users of glyphosate-based products, including farmers, food companies and retailers.

The manufacturer of glyphosate, Monsanto Company, and others are suing the state Office of Environmental Health Hazard Assessment (OEHHA), arguing that the method used to list glyphosate as a carcinogen is unconstitutional and scientifically unsubstantiated.

OEHHA relied on the Labor Code listing mechanism as unconstitutional because, among other reasons, it leaves the listing decision to an undemocratic foreign body (IARC) that is not under the oversight or control of any California governmental entity.

Proposition 65 requires businesses to warn individuals before exposing them to chemicals on the Proposition 65 list. Since the law was enacted in 1986, the list has grown to about 950 chemicals.

The law allows private persons or organizations to bring actions to enforce its provisions.

As the CalChamber amicus brief points out, “Thus, a business using a product containing even trace amounts of a listed chemical will be placed in the untenable position of choosing between warning that the product contains a chemical ‘known to the state’ to cause cancer—even if it believes science indicates the statement is false—or face the potential of expensive and burdensome lawsuits by public or private enforcers.”

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Private enforcers (bounty hunters) driven by a desire for profits rather than concern for public health have been active since Proposition 65 became law.

In 2016, private enforcers served 1,576 notices of violation on businesses in California and across the country. Of those 1,576 notices, 760 resulted in settlements totaling $30,150,111. More than $21 million of the settlement dollars in 2016—72%—went to plaintiffs’ lawyers as attorney fees.

Proposition 65 notices of violation and an annual summary of settlements are available on the California Attorney General’s website, https://www.oag.ca.gov/prop65.

Proposition 65 includes a “safe harbor” defense, permitting a business not to provide a warning when it can show the exposure to a Proposition 65 chemical poses no significant risk of cancer.

An exemption is available if the defendant can show the exposure was below the No Significant Risk Level (NSRL) for chemicals listed as known carcinogens. OEHHA has proposed an NSRL for glyphosate, held a hearing and accepted public comments, but has not yet adopted the proposed NSRL.

The CalChamber brief points out that the “safe harbor” defense “requires a risky, expensive, and time-consuming effort,” making relying on that defense “neither economically rational nor feasible.” Once a chemical is listed, “the only practical alternative to the risk of litigation is to provide California consumers with a cancer warning—even if such warning is false.”

Food companies, for example, will need to determine if trace amounts of glyphosate residues are in or on the products purchased from farmers. Those companies then must decide whether to apply warnings to avoid litigation and have enough lead time to produce and implement clear and reasonable warnings before the effective date of the listing.

Manufacturers of liquid soap products/shampoos and vinyl gloves were targeted for alleged failure to provide Proposition 65 warnings in 2013 and 2014 after OEHHA listed coconut oil diethanolamine (cocamide diethanolamine) and diisononyl phthalate as carcinogens.

Staff Contacts: Erika Frank and Louinda V. Lacey
32 CalChamber Members Featured on Fortune’s 100 Best Companies List

Thirty-two California Chamber of Commerce member companies were selected by Fortune as among the 100 best companies to work for in 2017.

Now in its 20th year, the “100 Best Companies to Work For” list is the most extensive employee survey in corporate America, with feedback from more than 230,000 employees, according to Fortune.

Featured Companies

The 32 CalChamber member companies featured in Fortune’s list are:
• Google (information technology) is in the No. 1 spot for the eighth time in 11 years. Famous for luxe perks like gourmet food, the company also focuses on employee morale by having a generous parental leave policy, and fostering “safe and inclusive” workplaces.
• Kimley-Horn and Associates (professional services, No. 11) matches 401(k) contributions by 200%, for up to 4% of pay, and provides growth opportunities for staff and support for new employees.
• Kimpton Hotels (pet-friendly hotel chain, No. 14) values “uniqueness,” providing flexible work schedules, doing away with hierarchy, and embracing a promote-from-within culture.
• PwC (professional services, No. 23). PwC employees love the growth, travel and leadership opportunities offered at the firm. PwC hired more than 5,500 new grads last year and pioneered a student loan pay-down benefit, in which employees can get $1,200 a year toward their student loans.
• Cooley (Silicon Valley law firm, No. 25) has a “team first” mentality and a “laid-back” culture, where staff can wear jeans to work. According to an employee, “You could walk into a conference room and not be able to tell the staff from the most senior partner.”
• Hilton Worldwide (global hotel chain, No. 26). The 100-year-old hotel chain earned accolades for advancement opportunities and has started paying for employees’ GEDs. Benefits include up to $10,000 reimbursement for adoption and generous parental-leave policies.
• EY (professional services, No. 29) received rave reviews from employees for its “phenomenal” flexibility that allows staffers to “work when and where they want” so that they have the freedom to enjoy life’s little things.
• Hyatt (international hotel chain, No. 32) was praised by employees for its “amazing” benefits, such as complimentary or discounted hotel stays. The company also promotes an environment of “fairness, love, and respect.”
• Marriott International (multinational hospitality company, No. 33). Growth opportunities have helped it keep nearly 13,000 employees for more than 20 years. Marriott also has focused on diversity—58% of frontline and middle managers are women, and 36% are minorities.
• USAA (financial services and insurance, No. 35) provides six weeks of vacation, 8% 401(k) match and flexible scheduling options.
• NuStar Energy (pipeline and terminal operator, No. 37) provides generous benefits, including free gym memberships and 24 hours per year in paid volunteer time.
• Nvidia (information technology, No. 39) gets employee praise for its “accessible” and “visionary” management. Big dreams for artificial intelligence are backed by what staff say are strong ethics and integrity.
• The Container Store (specialty retailer, No. 49). Its mantra is that “One great person equals three good people.” Employees enjoy a higher hourly wage than the industry average.
• Mars (food and candy maker, No. 50) provides generous health care benefits, tuition reimbursement, and perks such as free snacks and beverages, subsidized lunch, fitness classes and massage therapy.
• Perkins Coie (law firm, No. 53) cultivates a culture of mutual respect, and leaders are praised for openness, honesty and inclusivity. The firm also offers sabbaticals and extra paid time off for “long-timers.”

See 32 CalChamber Members: Page 7
**NAFTA Update**

Ministers Eye January Meeting in Canada; December Talks Set for D.C.

Chief negotiators in talks to modernize the North American Free Trade Agreement (NAFTA) reaffirmed their commitment to moving forward at the end of the fifth round of negotiations last week in Mexico City.

Ministers for the United States, Canada and Mexico have agreed to hold the sixth round of negotiations in Montreal, Canada from January 23–28, 2018.

Meanwhile, negotiators will continue discussions in intersessional meetings in Washington, D.C. later this month. According to news reports, the intersessional meetings are scheduled for December 11–15.

The ministers did not attend the November 17–21 round of discussions.

Public statements by Mexican and Canadian officials indicate progress has been made on topics like telecommunications, digital trade/e-commerce, sanitary rules, and the environment.

Among the contentious subjects surfacing in news accounts are government contracts, the North American content of autos, dairy, and the handling of disputes.

In a statement released upon the conclusion of the fifth round, U.S. Trade Representative Robert Lighthizer said, “While we have made progress on some of our efforts to modernize NAFTA, I remain concerned about the lack of headway. Thus far, we have seen no evidence that Canada or Mexico are willing to seriously engage on provisions that will lead to a rebalanced agreement. Absent rebalancing, we will not reach a satisfactory result.”

**CalChamber Position**

The California Chamber of Commerce urges a quick and efficient process, and one that does not hinder ongoing trade and investment among the three NAFTA members who must be kept united in the same end-goal of a successful renegotiation.

With the Mexican Presidential election and U.S. mid-term elections in 2018, it was originally hoped the negotiations would be concluded this year. Now, negotiators are looking to extend the remaining rounds through the first quarter of 2018.

In response to the pending conversation of withdrawal from the agreement, the business community states that such an action would result in higher tariffs, loss of jobs, and fewer consumer choices along with increased prices.

Withdrawing from NAFTA also would make it much less likely that trading partners would want to participate in future trade agreements with the current administration. Meanwhile, other nations continue to pursue free trade agreements around the world that exclude the United States.

**Staff Contact:** Susanne T. Stirling

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**Former CalChamber Chair Takes Over as Comptroller of the Currency**

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Otting became president, CEO and a member of the board of OneWest Bank, FSB, in October 2010.

Before joining OneWest Bank, Otting served as vice chairman of U.S. Bancorp, where he managed the Commercial Bank Group and served on the Bancorp’s managing committee. He also served as a member of the board of directors for U.S. Bank’s main subsidiary bank.

From 1994 to 2001, Otting was with Union Bank of California, where he was executive vice president and group head of commercial banking.

Before joining Union Bank, he was with Bank of America, where he held positions in branch management, private banking and commercial lending.

Otting holds a bachelor of arts degree from the University of Northern Iowa.

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**32 CalChamber Members Featured on Fortune’s 100 Best Companies List**

From Page 6

the world.” Accenture also focuses on work/life balance—more than 75% of staff have used flexible scheduling.

• **American Fidelity Assurance** (financial services and insurance, No. 89) makes people feel as if they’re “in it for the long term” by providing pension plans, cushy 401(k) contributions, and bonuses. Other perks include car washes on-site and a personal trainer at the office gym.

• **Bright Horizons Family Solutions** (child care provider, No. 90) offers workers a 50% discount at Bright Horizons centers.

Says one staffer: “There’s no other company that would allow me to be with my children while building a career that I love.”

• **AT&T** (telecommunications, No. 93) is undergoing a massive technology update. Rather than making big layoffs, the company is retraining more than 100,000 of its staff to work on modern equipment and thrive in today’s tech-centric world. Last year, AT&T filled more than 40% of its open positions with internal candidates.

• **Nordstrom** (fashion specialty retailer, No. 94). Employees at Nordstrom say they are “empowered,” “trusted and respected” by their company—there’s only one rule employees need to follow while working at the retailer: “Use good judgment.”

• **Orrick Herrington & Sutcliffe** (law firm, No. 96) believes work/life balance is of paramount importance and managers bend over backward to ensure work gets done without getting in the way of home life. The firm provides 35 days of personal time off and up to 22 weeks of maternity leave.

• **PCL Construction** (construction and real estate, No. 98) offers stock options to all employees, 90% of whom own shares. Dividends for long-term employees often exceed their annual salaries.

• **FedEx** (shipping, No. 99) compensates hard work with raises, bonuses and promotions. Workers also praised the company’s benefits, which are extended to all employees, including part-timers in the United States.

To read more about the “100 Best Companies to Work For,” visit [http://fortune.com/best-companies/](http://fortune.com/best-companies/).
Will Your Business Be Next?

With sexual harassment in the news and shaking up Silicon Valley and Hollywood, are you doing enough to avoid a devastating lawsuit?

While harassment prevention training is mandatory for supervisors in California (businesses with 50 or more employees), we recommend you train all employees.

Keep in mind that California’s Fair Employment and Housing Act (FEHA) requires all California employers to prevent harassment from occurring in the workplace, regardless of number of employees.

$5 Starbucks eGift Card for every California supervisor or employee harassment prevention training seat you purchase.

Use priority code SHPA by 12/31/17. Preferred and Executive members also receive their 20% member discount.

PURCHASE online at calchamber.com/hptdeal or call (800) 331-8877.